Daily Report

Central Eurasia

FBIS-SOV-95-228
Tuesday
28 November 1995

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report
Central Eurasia

FBIS-SOV-95-228 *28 November 1995*

CONTENTS

NOTICE: An * indicates material not previously disseminated in electronic form.

DUMA ELECTION ISSUES

Key Developments

Reportage on 'Elections '95' Program Campaign Coverage 1
Yavlinskiy Interviewed on Yabloko Platform *[Moscow RTV]* 1
Forward, Russia! Video Shows Fedorov *[Moscow RTV]* 2
PRES Video Features Shakhray *[Moscow RTV]* 4
Lapshin Defines Agrarian Party's Platform *[SELSKAYA ZHIZN 23 Nov]* 5
Parties' Election Campaign Spending Detailed *[INTERFAX]* 7
Presidential Staffers Running for Duma Named *[ROSSIYSKIYE VESTI 18 Nov]* 7
Shumeyko Spokesman Confirms Creation of New Movement *[Moscow Radio]* 9
Gay Groups Urge Vote for 'Democratic Choice' *[ROSSIYSKAYA GAZETA 25 Nov]* 9

Regional Activities

Duma Candidate Killed in Chita Region *[ITAR-TASS]* 9
Officials Criticize Security Agencies *[INTERFAX]* 10
Bodyguard Suspected of Committing Murder *[INTERFAX]* 10
Zyuganov's Campaign Tour Detailed *[SOVETSKAYA ROSSIYA 23 Nov]* 10
Ryabov Allocates R3 Billion for Chechen Elections *[INTERFAX]* 12
Preelection Confusion in Chechnya Viewed *[IZVESTIYA 24 Nov]* 12

Forecasts & Commentary

Commentary Sees KRO Having Edge Over CPRF *[NEZAVISIMAYA GAZETA 22 Nov]* 14

INTERREGIONAL AFFAIRS

ITAR-TASS Carries Press Review for 28 Nov 16

RUSSIA INTERNATIONAL AFFAIRS

Daily Summarizes President Clinton Speech on Bosnia *[IZVESTIYA 29 Nov]* 17
Yeltsin Said To Attend Paris Signing of Bosnia Pact *[INTERFAX]* 17
Official Denies Yeltsin's Attendance *[ITAR-TASS]* 18
Reportage on Defense Minister at Brussels NATO Session 18
Grachev Addresses Council on Bosnia Forces *[INTERFAX]* 18
Grachev: NATO Basis for European Security *[INTERFAX]* 18
Grachev: Russian Brigade 'Independent' of U.S. *[ITAR-TASS]* 19
Leadership To Decide on NATO Exercise Participation *[ITAR-TASS]* 19
Russia Must Mind 'Other Friends' in Balkans *[ROSSIYSKAYA GAZETA 25 Nov]* 20
Further on Grachev's Meeting With Ukrainian Counterpart *[KRASNAYA ZVEZDA 25 Nov]* 21
Totsk Garrison Destroys 39 Helicopters Under CFE *[INTERFAX]* 23
U.S. Diplomat's Article Draws Moscow's Ire *[NEZAVISIMAYA GAZETA 28 Nov]* 23
U.S. State Department Expresses Regret *[ITAR-TASS]* 24
Zhirinovskiy Describes Visit to China as 'Successful' *[ITAR-TASS]* 24
Yeltsin Sends Cooperation Message to Mongolian President *[ITAR-TASS]* 24

Chisinau 'Cautious' About 14th Army Peacekeeper Status *[IZVESTIYA 25 Nov]* 25
Russia, Belarus Sign Accord on Security Cooperation *[ITAR-TASS]* 25
Turkey Curbs Oil Shipping for 'Safe Passage' Reasons *[IZVESTIYA 25 Nov]* 25
Bilateral Cooperation Agreements Signed With S. Africa *[ITAR-TASS]* 26

RUSSIA NATIONAL AFFAIRS

Political Issues

Medvedev: Yeltsin To 'Expand' Work Schedule *[Moscow NTV]* 27
Mrs. Yeltsin: Presidency 'a Heavy Burden' *[ITAR-TASS]* 27
FSB Confiscates Four Missing Radioactive Containers *[Moscow Radio]* 27
Kulikov Denies Chechen Link to Radioactive Container *[TRUD 25 Nov]* 28
Lebed: NATO, China, Islamic World Threaten Security *[Stockholm DAGENS NYHETER 26 Nov]* 28
Livshits Denies Rumors of Chubays' Resignation *[INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY]* 28
Zhirinovskiy Announces Intent To Run For President *[INTERFAX]* 29
FSB General Discusses Fight Against Economic, Drugs Crime *[TRUD-7 24-30 Nov]* 29

Military & Nuclear Issues

Yeltsin Signs Law on Amendments to Servicemen's Status *[ITAR-TASS]* 32
Production of Weapon-Grade Plutonium To Cease by 2000 *[ITAR-TASS]* 32
General Inspector Rejects Chechnya Nuclear Fears *[PRAVDA-5 1 Dec]* 33

Federal Assembly

Council Votes Down Bill on Forming Upper House *[ITAR-TASS]* 36
Shumeyko Leaves Foreign Policy to President *[INTERFAX]* 36
Shumeyko: Chechen Rebels Will Not Derail Elections *[ITAR-TASS]* 36
No Appeal to Commission Over Grachev Law Violation *[INTERFAX]* 37
Communists Hold Foreign Policy 'Roundtable' *[Moscow RTV]* 37
Objections to National-Cultural Autonomy Bill Ignored *[ROSSIYSKIYE VESTI 28 Nov]* 37
Agrarian Deputies Demand Fixed Price for Bread *[SELSKAYA ZHIZN 25 Nov]* 38
Duma Committee Chief on Rejected Defense Bill *[KRASNAYA ZVEZDA 24 Nov]* 38

Regional Affairs

Chechnya Reportage: Election and Military Issues 40
Zavgayev Registers for Elections *[AFP]* 40
Presidential Poll Expected To Be Valid *[ROSSIYSKAYA GAZETA 28 Nov]* 41
Zavgayev Looks Forward to Peace *[KRASNAYA ZVEZDA 25 Nov]* 41
Troops Discover Groznyy Arms Cache *[ITAR-TASS]* 42
'Russians' Recruited Chechnya 'Volunteers' *[IZVESTIYA 25 Nov]* 42
Premier's Attention Focuses On Military's Problems *[KRASNAYA ZVEZDA 25 Nov]* 44
'Traditional' Arctic Supply Crisis Worse Than Usual *[IZVESTIYA 25 Nov]* 44
Chelyabinsk Chinese Citizens Without Visas Deported *[ITAR-TASS]* 45
Tyumen Leader Cited on Region's Needs, Status *[ROSSIYSKAYA GAZETA 23 Nov]* 45

Economic Issues

Davydov on Russian Debt Restructuring Agreement *[INTERFAX]* 48
Livshits: Dollar Corridor Future To Be Decided Soon *[SEGODNYA 25 Nov]* 49
Text of Yeltsin Edict on Customs and Currency Control *[ROSSIYSKAYA GAZETA 25 Nov]* .. 49
Economy Minister Criticized for 'Generalizations' *[TRUD 25 Nov]* 50

Economic Reform Center's Pavlenko Upbeat on Nonpayments *[KOMMERSANT-DAILY 25 Nov]* 50
Redemption of USSR 'Car Bonds' To Be Complete in 1996 *[IZVESTIYA 25 Nov]* 51
Energy Company Draws Up 6-8-Year Investment Program *[FINANSOVYYE IZVESTIYA 23 Nov]* 52
Bank Chief Candidate's Record, Suitability Assessed *[IZVESTIYA 22 Nov]* 52

UKRAINE

International Affairs

Kuchma: Ukraine Should Profit From BSF Division *[UNIAN]* 54
Russian Minister Signs Military Cooperation Agreement *[UNIAN]* 54
Defense Ministers' Sochi Agreements Detailed *[UKRINFORM]* 54
Deputy Premier on EU Free Trade Agreement Prospects *[INTELNEWS]* 55
Ukraine Willing To Put Troops in Balkans Under French *[UNIAN]* 56
UN Notified of Readiness To Send Peacekeepers to Angola *[INTERFAX]* 56

National Affairs

Kuchma on Threat From Russian Nationalism *[London FINANCIAL TIMES 25 Nov]* 56
Kuchma on Draft Constitution, Russia, U.S. *[ZERKALO NEDELI 18-24 Nov]* 57
Local Helsinki Committee Opposes Crimean Constitution *[UKRINFORM]* 60

Economic Issues

Regional Distribution of Foreign Investment Viewed *[INFOBANK]* 60
Cabinet Presidium Discusses Draft Budget *[UKRINFORM]* 61
Odessa Oil Terminal Building Justified, Urged *[HOLOS UKRAYINY 23 Nov]* 61

WESTERN REGION

Belarus

Lukashenka on Possibility of Direct Presidential Rule *[INTERFAX]* 65
President Draws Parallel With Hitler's Germany *[Moscow NTV]* 65
Lukashenka on Elections, Economy, Customs Union *[BELAPAN]* 65
Statistics Released on Official Corruption *[BELAPAN]* 66

CENTRAL ASIA

Uzbekistan

Moldovan Prime Minister Signs Accords During Visit *[NARODNOYE SLOVO 22 Nov]* 68
Government Decides To Establish New News Agency *[BIZNES VESTNIK VOSTOKA 24 Nov]* 68

CAUCASUS

Azerbaijan

Aliyev Addresses Parliament on Election, Law *[Baku TV]* 69
Foreign Minister: Lachin Remains 'Fundamental Subject' *[Baku TV]* 70
Defense Minister on Status of 'Radio-Location Station' *[TURAN]* 70

Georgia

Georgian, Abkhaz Negotiators Adopt Entrenched Positions *[INTERFAX]* 70

Shevardnadze Establishes International Oil Corporation *[SAKARTVELOS RESPUBLIKA 15 Nov]* 71
Shevardnadze Removes Powers From Cabinet of Ministers *[CONTACT INFORMATION AGENCY]* 71
New Georgian Parliament Opens First Session *[ITAR-TASS]* 71
Interior Troop Commander Dismissed, Deputy Arrested *[INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY]* 72

BALTIC STATES

Estonia

Vahi Seeks NATO Membership, Friendly Relations With Russia *[ITAR-TASS]* 73
Tallinn Supports U.S. Bid for CE Observer Status *[BNS]* 73
Tarand on Ratification of Russian Accords, Election Link *[Tallinn Radio]* 73

Lithuania

President Criticizes Cabinet for Oil Prospecting Indecision *[INTERFAX]* 73
Free Trade Agreement With Ukraine Activated 21 Nov *[BNS]* 74

Key Developments

Reportage on 'Elections '95' Program; Campaign Coverage

Yavlinskiy Interviewed on Yabloko Platform

LD2311234095 Moscow Russian Television Network in Russian 0630 GMT 23 Nov 95

[Studio interview with Grigoriy Alekseyevich Yavlinskiy, leader of the Yabloko bloc, by program presenter Aleksandr Radov; from the "Elections '95" program — live]

[FBIS Translated Text] [Radov] Now it is the Yabloko public movement's turn. It is represented by its leader, Grigoriy Yavlinskiy. Excuse us, we have a sort of conveyor belt here: We say goodbye to one and hello to another. Grigoriy Alekseyevich, a few very short questions. Are you in favor of restoring the USSR?

[Yavlinskiy] First, I would like to greet you. Good morning. I am very pleased that I have the opportunity to come here and to meet you personally — through television — at least several times during the election campaign. Good morning. I would also like to tell you that in the previous slots I spoke about the necessity to elect a new president. We are convinced it is necessary to create a new parliament. We are convinced it is necessary to create a new government. It is necessary because our country faces problems — incidentally, the presenter has just asked me about one of them — which cannot be solved by the present authorities, by the people in power. I also said on television that such problems as the lack of order in Russia, the deterioration of the economic situation and the exhausting of our economic potential, and threats to Russia's national security require that new people should come in and start solving these problems. These are very important things. Speaking on Russian Public Television last time I also said that protection for the aged should be the priority of economic programs. All economic programs, any one of them, should start with the provision that women, children, old people and the disabled should not lose out in new reforms. We need no longer live according to the slogan: "If we want to be better off in the future, we must first be worse off now."

Today I would like to speak in detail as far as I can about our movement Yabloko, and to tell you a little bit about it.

[Radov] We cannot let you deliver a monologue today, I am sorry, but I'm the one who is calling the tune. So would you please answer my questions.

[Yavlinskiy] I will answer your questions in one minute. I would like to tell you that the details of Yabloko's economic program, which we have been working on for the last five years — you may see these details today at 1230 [0930 GMT] in the "Business Russia" program and tomorrow at 1230 in the "Business Russia" program. And now, if you are so impatient, I will listen to you.

[Radov] Well, tell me, if you head the government, will you tolerate communists and liberals — Zhirinovskiy, for example?

[Yavlinskiy] A government is not a political club. A government is a team which is tied up together by the common understanding of a goal and a common program. In political terms, a government should strive to achieve one goal. If you do not agree, you are free to form an opposition immediately. Democrats have always recognized opposition. But no disorder, no dissonance, no public discussions of the prime minister and the president's decisions should be allowed in a government itself.

[Radov] So you are against a government of national accord which represents the whole spectrum of political views?

[Yavlinskiy] I am against a government which consists of professionals and idiots. I am in favor of a government in which everyone works professionally to achieve one goal. They could be members of different parties, but professionally they should strive to achieve one goal — the goal they have accepted. If they are not happy with that goal, they should go.

[Radov] You are calling for a complete change of power. Are you just talking about the people at the top or the whole apparatus of administration, which has not changed for decades?

[Yavlinskiy] As for the apparatus of administration, all those who abide by the law, people who are untouched by corruption, and professional people must of course stay. But those who are unable to abide by the law, who cannot implement decisions, as well as those with links with corrupt circles or corruption or criminal circles, they must leave the government immediately. I think the personnel policy should be based on the maximum involvement of young people in working in the state apparatus. Incidentally, if young people do not themselves bother with state affairs, they will always lag behind the old nomenklatura and will see nothing good in their lives.

[Radov] Is it true that you insist on redistribution of the state property, which has been distributed unjustly?

[Yavlinskiy] No, this is not true. And I do not know who told you this.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Radov] It shows through in your program. It is not the first article, but...

[Yavlinskiy, interrupting] You have not read our program.

[Radov] Yes, I have. Very closely.

[Yavlinskiy] Well, you did not read it very well. Our program says there cannot be any such redistribution. No administrative redistribution of property. It is written on page 72. Read it once again. This is very important.

[Radov] But to correct the mistakes of the privatization...

[Yavlinskiy, interrupting] But at the same time we must try to make property work efficiently in our country. Efficiently means to benefit our country as a whole, and our people, and individuals, and property owners. At present we have conducted privatization in such a way that it has not solved any social questions, besides, it has proved economically ineffective. Therefore, a vast system must be used — a system of taxes, tariff and nontariff limitations, export and import duties, the bank's interest rate policy, budget policy, policy connected with all economic levers, so that over several years, with the help of investment tenders and a new policy in the sphere of securities, we can bring about and ensure on the financial markets the transfer of property from inefficient property owners to efficient property owners, to those who are true businessmen and can invest their own money to develop their own enterprises and to run them properly.

[Radov] You are relying on the middle classes here. Do you intend to look into the sources of wealth and to hang those who have acquired their money by unjust means?

[Yavlinskiy] In this respect our point of view is simple and it is well known to our viewers: A thief should be kept in prison. There is nothing new about it. And only because our authorities often are directly connected with many shady deeds, that is why not a single investigation has been completed in the past four years. If Russia has authorities with clean hands, with clean thoughts, and with no criminal connections, than the rule that a thief should be kept in prison, could be implemented quickly.

[Radov] Do you believe you are to blame for the democrats not going to the elections in a united front? Are you at fault here?

[Yavlinskiy] The NUR [Muslim] movement has just spoken. They are democrats, too. Do we really need to put all our eggs in one basket? Suppose we drop it?

[Radov] That is it. Fine. Thank you very much.

[Yavlinskiy] Thank you very much.

Forward, Russia! Video Shows Fedorov

LD2411120795 Moscow Russian Television Network in Russian 0630 GMT 23 Nov 95

[Election campaign feature by the Forward, Russia! bloc; from the "Elections '95" program]

[FBIS Translated Text] [Announcer] Now let us look at the film clip prepared by the "Forward, Russia!" movement. I can only express disappointment with the movement, which was either frightened or did not want to appear live because we do not have the opportunity to listen to live answers to pressing issues.

[Begin recording] A quiz by the Forward, Russia! movement. [caption with Russian flag as background and music]

1. Is three years sufficient for the prime minister to prove himself?

2. Is there any policy regarding the sexes?

3. Which of the politicians linked communism with religion and nationalism?

If you know the answers to these questions, vote for Forward, Russia! and Boris Fedorov! [video shows Boris Fedorov seated with Russian flag in background]

[Fedorov] Hello! Last time I spoke about the bleak present, and today I will talk about a bright future. When I was a boy everyone living in our home went out in springtime to the plot and together we prepared the flower beds and planted them. In winter, we boys would help the residents to clear snow from the streets. Everyone knew each other by name.

When they say that the past was better one recalls such scenes. I myself sometimes recall our commune with satisfaction. I do not, however, remember if anyone — and everyone, like myself, came from working class families — could remember building communism and blindly believed the party. Therefore, today when they are predicting victory for the communists I do not believe it.

Let us consider together: I very much like the idea of communism, that everyone should be well off. But attempts in many countries of the world to build communism came to nothing. Millions of people were, unfortunately, ruined. A society of communes, lines, and crime was formed. How come? The bolsheviks were in power for 70 years. Zyuganov's party calls itself a successor of the CPSU. It should recognize that what happened was not socialism. Power was not legal and was taken as a result of a coup, and it was a crime.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Surely we cannot have forgotten all of this? Nearly every family experienced repression, were dispossessed, or killed without reason. Let us not forget this.

Zyuganov's talk of a planned economy: Again, let us be realists. They [communists] lost the economic competition with the West. Remember our automobiles and televisions from the 1960s and 1980s. In the 1960s they differed little from those in the West but in the 1980s, however, there were already two striking differences. Zyuganov is entering the 21st century with a sickle and this is how he goes. Surely no one wants lines and ration cards. Fear God!

People will say to me: But things haven't gotten any better. And I agree with you. For many people, life used to be more stable, quieter — not rich, but predictable. The bourgeois nomenklatura were raking in the money, but quietly. Today the people can see no future. Why not? Certainly not because we haven't got enough socialism.

Who is in power today? Look through the leaders' biographical details, and you will see that there has been no change of power. Almost the same policy is still being pursued, essentially. There are more bolsheviks in the government than in the Duma. Yet they keep shouting that the democrats are in power, and reform is under way. Where are the democrats? Can arbitrary rule be called democracy? Can actions that do not improve people's lives be called reform?

What is there in common between CPSU Central Committee member Chernomyrdin, RSFSR Communist Party Central Committee member Lebed, and Politburo member of the same party Zyuganov? It is very simple: they want power. All of them, in equal measure. And what have ordinary people got to do with it — those who have worked honestly all their lives? Workers, collective farmers, and specialists. They are not to blame for anything. Ordinary citizens are again pawns in the game of those who want to get back their offices, their members' perks, their extra rations, and their special shops.

In a recent interview with a Western paper, Zyuganov said: I am not a communist at all. I shall not nationalize anything.

I would begin to respect him if he said that openly to our citizens and admitted that he is a social democrat. How much more deception will there be? [video in black and white shows a man, a woman, and a child shaking their heads in negative response to the following three questions asked by unseen announcer: Do you want to go backwards with Zyuganov? Or to one side with Zhirinovskiy or Skokov? Or to stand still with Chernomyrdin?; video changes to color, and the three smile and nod in response to following question asked by unseen announcer: Do you want to move forwards with the "Forward, Russia!" movement and Boris Fedorov? Vote for the "Forward, Russia!" movement and Boris Fedorov!; video cuts to show a picture of the Russian flag with the words: 1995 Vote for Forward, Russia! with a superimposed photograph of Boris Fedorov]

[Fedorov continues] The Communist Party's program is a curious document. [Fedorov holds up a red-bound booklet] It is vague, unprofessional, and contradictory. It does not answer a single question. That is how it differs from our Forward, Russia! movement program, which is short on isms but long on specifics. [Fedorov holds up a booklet entitled "Forward, Russia!"]. In his program, Zyuganov tries to cross proletarian internationalism with Russian nationalism. First the class approach, now mock-patriotic sentiments. The Russian idea turns out to be socialist. Fine patriots, singing the Internationale. He will even go to church if that is necessary for victory and he will pray for private enterprise. I think he would join Aum Shinrikyor, if necessary. A confused man! One can only pity him.

All this is sacrilege, since we know who destroyed Russian culture, Russian citizens, and our way of life. We have not forgotten that millions of our peasants took part in the Civil War for the land, which was immediately taken away from them. We have not forgotten that the country's disintegration was initiated by the division of Russia into republics, a division which they created.

I like one of the pronouncements of a real communist, Anpilov: Zyuganov is even more dangerous than Yeltsin, since he is breaking up the communist movement from inside. And it is our task to combat Zyuganovism.

It is hard to disagree with Anpilov. We are not against the communists. We are against those who are like Zyuganov. In short, of the two Gennadiys — Zyuganov and Khazanov — we will always choose Khazanov.

Note that the present authorities are not really afraid of Zyuganov. They are afraid of us, since Chernomyrdin understands that only we intend to carry out real changes in the interests of Russia, in the interests of the people. Our Forward, Russia! movement differs in that we are not going to be hypocritical and deceive people. It is impossible to promise to summon up the past.

We have a team of professionals, and we do not need to recruit actors and actresses to entertain trusting voters. Our symbol is the smiling hedgehog with sharp spines. Our party number is No. 20.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

We will not give away a single vote to Zyuganov, Rutskoy, Skokov, Lebed, Zhirinovskiy, or Chernomyrdin. Remember what Stolypin said about the Bolsheviks: They need great upheavals; we need a great Russia.

So, Forward Russia! All honest communists, come to us. Be with us. Incidentally, there are more of us Fedorovs than Zyuganovs, Chernomyrdins, Skokovs, Zhirinovskiys, Rutskoys, Lebeds, and many others put together. I am not hinting at that; I am telling you straight.

People often say to me: Boris, you are not flexible. One study showed that I have only a three percent adaptability. So be it! There must be at least one person who sticks to his principles. I am sick of hypocrisy. Russia is our country. We will not go anywhere else, and we will not hand it over to unprincipled and incompetent people. You can count on that.

Finally, to win we need money. Only you can help us. I am grateful to those who have already supported us and sent their modest contributions. Write to Boris Fedorov, State Duma, Moscow for "Forward, Russia!"

That is enough about them — the Zyuganovs, Rutskoys, and so on. Telephone your parents now. Maybe they need help. We are all eternally indebted to our old folk, who have led such hard and honest lives. I would like them not just to hear promises, but to see with their own eyes, during their lifetime, that their lives and the lives of their children have changed for the better.

Everything is in your power. Come to the elections — and Forward, Russia! [Fedorov brandishes a clenched fist; video cuts to show computer-animated Russian flag fluttering and the caption: "1995: Vote for 'Forward, Russia!'"] [end recording]

PRES Video Features Shakhray

LD2211235395

[FBIS Editorial Report] Moscow Russian Television Network in Russian at 1540 GMT on 22 November in the "Elections '95" program broadcasts an 8-minute video presentation by the Party of Russian Unity and Accord, PRES. The video features PRES leader Sergey Shakhray speaking in a train compartment.

The video begins with the PRES logo: a ship on rough waters with sails in Russian national colors. An unseen announcer says: "The Party of Russian Unity and Accord presents its leader Sergey Shakhray." The announcer adds: "Russia means small towns and regions, which means the only time he can be approached is when he is on the move." The video shows Shakhray in the train.

Shakhray then speaks: "Of course, the most important thing in my travels are people. A piece of paper, a report, a piece of statistics is one thing. But a specific person, a specific enterprise, a specific governor or pensioner is quite another thing. This means real information, real life. It allows me to raise many questions in the government and solve them in a different way."

Over archive video footage of Shakhray in the Duma and at various meetings, the announcer lists Shakhray's official titles: deputy prime minister of the Russian Federation, leader of the Party of Russian Unity and Accord, and a merited lawyer of the Russian Federation. The announcer continues: "Sergey Shakhray is a politician of a centrist persuasion who avoids methods that lead to revolutions and shocks. During the numerous political crises of 1993 he strived to find ways of reconciliation that were legally tried and tested and were politically unique. His origins combine the south and the north of Russia. His relatives on his mother's side are natives of St. Petersburg. Sergey's father comes from a long line of Cossacks. Shakhray is married with two sons and one daughter. He looks on Russia's misfortunes through a prism of family values." The video shows Shakhray at home with wife and children.

Shakhray then paraphrases a popular saying: "There are two misfortunes in Russia — the fools and the roads. By participating in the elections we shall greatly reduce the number of fools in power and among the deputies. Among the projects that we are putting forward in our election campaign is Russia Europort, part of the development program for our river transport arteries connecting the ports on the Russian Baltic coast with Nizhniy Novgorod, Rostov-na-Don, Astrakhan, and Volgograd. We have development projects for Siberia and the Far East. So, we have a very good plan here — reduce the number of fools in power and improve the country's roads."

The announcer then traces the history of PRES and its activities over video footage of Shakhray meeting with people and at various official engagements.

Shakhray goes on to speak on crime: "I have already done my share of being frightened by things like treading on glass, car accidents, and assassination attempts. I do not even want to talk about the subject. The problem is more serious than that. This is the problem of fighting crime. This is a national problem. Our election platform offers a project on creation of a municipal police — it means the man who protects you is same as you, the living he earns comes from your tax payments, you can influence him. The local cop knows all his people and people know him and trust him. You can call him anything, even sheriff, but better in the Rus-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

sian way: divisional inspector [uchastkovyy], or district police officer [okolotochnyy], or even cop [gorodovoy].

"People come to politics on their own volition. Therefore, they should take upon themselves certain obligations before the voters. The voter has a right to know everything that is important about his deputy. Believe me, this is not an election 95 gesture. I declared my income in 1993 and now my voters can compare what I had when I came to power, what I have now, and what I am working on. I am not just trying to appeal to other politicians to do the same: Do not be shy, if you did not steal anything, show your assets. I have actually proposed to the Duma a draft law that consists of just one article: All members of the government and all deputies should submit and make public a declaration of their income. If they have not done this within a month they should automatically lose their powers. Somehow, no deputies have yet voted for it."

The announcer then says: "The Party of Russian Unity and Accord has three main objectives: the development of true federalism, local self-government, and a socially targeted economy. The party wants incomes in the industrial sector to be higher than those in the financial sector. The party was not created with elections in mind. The election campaign is but an episode in the struggle for the Russian people's minds."

Shakhray goes on to say: "Our main potential is land and people. On the basis of a town as a unit, a historically formed Russian province, we could combine for the first time in our history the notions of private property, power, and the individual. It is not Moscow that should mend the roofs, repair roads, and provide textbooks for schools. The money earned by the population, say in Torzhok, should stay in the town and pay for the region's health, education, roads, and so on.

"I want to see Russia successful and peaceful, its skies blue, its air and its waters crystal clear, its people smiling. I am confident that we are entering a period of Russia's renaissance. We believe the unity of Russia is our aim, a condition which everyone in the country needs to be able to live and to work. Accord is what we need in order to achieve, preserve, and strengthen the unity of Russia."

The video then shows the party logo, the number 24, and portraits of two of the party's other candidates against a background of the Russian flag. The announcer concludes: "Those who will vote for the Party of Russian Unity and Accord will vote for Sergey Shakhray. The number of the Party of Russian Unity and Accord's ballot paper is 24. Valeriy Bykov, director general of the All-Russian Medicinal Herbs Institute scientific-industrial association, and Vladimir Ivankov, director general of the Siberian Accord interregional association, run second and third on the party list."

Lapshin Defines Agrarian Party's Platform

MM2311140895 Moscow SELSKAYA ZHIZN in Russian 23 Nov 95 p 3

[Article by Mikhail Lapshin, chairman of the "Agrarian Party of Russia" Electoral Association: "Peace and Bread in Every Home!"]

[FBIS Translated Text] Today, on the eve of the crucial choice that every citizen in our country is due to make, I want to remind people once again: What does the Agrarian Party of Russia represent, and how does it differ in principle from the other blocs and movements?

From the very first moment of its existence, and it emerged in February 1993, the Agrarian Party, born at at time of great troubles and the treachery of former leaders, was and remains the party of all peasants and all the Russian people. Today the Agrarian Party is a vigorous component of Russia's sociopolitical and state life. This is a mass, nationwide party in its social composition, scale of activity, and in its ideas and political stance. The Agrarian Party of Russia knows neither national nor social barriers. All the nations of the Russian Federation, all the regions of the country, and all generations of Russians are worthily represented in it.

This is a party of the kolkhoz member and the private farmer, the rural shareholder and manager, the processing worker and land reclamation worker, the rural construction worker and the agrarian scientist. This is the party of the forestry worker and the chemical industry worker, the agronomist and the combine builder. This is the party of the rural and urban intelligentsia — the doctor, the teacher....

The distinguishing features of the Agrarian Party of Russia's program are its reliable steadfastness, consistency, and sound practical approach. We do not need to restructure ourselves or adapt ourselves to suit anyone. We, the peasants, are people of the soil. We do not tend to theorize about the various "-isms." What matters to us is not some set of ideological postulates but the things that are of real benefit for Russia's agriculture and economy and for the real improvement of life for all Russians without exception, not some handful of "new Russians."

It was from the moment of its inception and not in pursuit of the current political fashion that the Agrarian Party of Russia advocated and continues to advocate a society of social justice and the affirmation of genuine people's power when the state's policy is determined

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

not by a venal "elite" bought out by the West but by the full-fledged representatives of the Russian people.

Bureaucratic tyranny, corruption, and the duplication of bloated administrative structures have become a real disaster for Russia. All these factors undermine the authority of state power and deepen the chaos created by the ill-conceived actions of the apologies for reformers.

Agrarians will seek a change in the political course and the formation of a government of people's trust and, if successful in the elections, we are ready to put forward candidates for any post in the government from among our supporters — they are highly competent and knowledgeable people.

We will resolutely defend the territorial integrity of a united and indivisible Russia as a strong federal state. It is a cause of our special grief that millions of our fellow countrymen who found themselves foreigners on their own land after the disintegration of the USSR are now disfranchised. The first and most important step to protect them, we believe, will be the recognition of the so-called "Belovezhskaya Forest agreements" as null and void. We fully support the historical striving of the CIS countries' people for rapprochement and cooperation.

We regard the revival of the spiritual potential and the cultural identity of the Russian people, who are the backbone of the country's population, and the equality and free development of each people of multinational Russia as the priority of a nationalities policy.

If we come to power we will immediately end interethnic wars and impose a constitutional ban on the use of the army in them. A strong Russia needs a strong army not as a gendarme but as the reliable defender of our national interests, one which enjoys the trust and love of all the people. It was no accident that when the Kremlin's rulers sent the troops into the Chechen Republic the Agrarian Party of Russia did everything it could to end the bloodshed. Instead of guns and shells the Agrarians sent Chechnya agricultural equipment and seeds — in short, we tried to create the material basis for peaceful labor and accord.

We will adopt the most resolute measures to curb the orgy of crime and banditry in the near future. In this regard we will rely on the law and on an uncompromising struggle against evil.

All spheres of the economy, politics, and social life are important to us, and our party has a clear action program for industry, finance, defense, culture, and foreign policy.

However, the main thrust of our policy is the implementation of agrarian reform, the kind of reform which really develops the countryside and does not destroy it once and for all — which is what we are seeing today. Our fundamental idea is Russia's rebirth through the rebirth of the Russian countryside. Russia was and remains a great peasant state, and the needs and economy of the countryside today determine the content of social development and the rhythm of the country's life. As at all times in the past — in the years of the first five-year plans and the difficult postwar years — the countryside is the main provider of work and the main customer for our industry and science. As we know, spaceflights today are intended more to find the optimum solution to the problems that relate particularly to the land — and, often, particularly to agriculture.

For the peasants the land is the provider of sustenance and the main asset of the people and must not be transformed into a mere commodity. In the Old Testament it is written that the land must never be sold. Terentiy Semenovich Maltsev, the great Russian peasant, warned: "If we are deprived of the land we will lose ourselves forever...."

The powerful voice of the All-Russia Rural Assembly in Moscow 27 October and the peasants' resolute protest against the buying and selling of agricultural land has had a sobering effect on the government and, I believe, on all Russian society. Haste in resolving this question which is truly portentous for Russia could have irreparable consequences. This is very well understood by Agrarian deputies, who are continuing the painstaking work on the Land Code, which has passed its first reading in the Duma.

It seems that Mr. Shakhray, the demolition expert, is the only man who does not heed the voice of reason, and he is still making strenuous efforts as part of his political intrigues to organize the collection of signatures (mainly among city dwellers) in favor of a referendum on the sale of land. I believe that in the forthcoming elections Russians will make their assessment of figures of that sort — those who constantly inflame enmity and hatred among their fellow citizens.

Here, too, it will clearly be appropriate to reemphasize that the Agrarian Party of Russia advocates the diversity and the equality of rights of all forms of land ownership and management. To be honest, we have already grown tired of rebutting the deliberate lie that the Agrarian Party of Russia is the party of the kolkhoz-sovkhoz nomenklatura, the party of the "agro-gulag," and so forth.

Incidentally, the Agrarian Party has just as many, if not more, private farmers as the Union of Landowners, not

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

to mention the pip-squeak organization of the "asphalt farmer." That was graphically demonstrated by the Second All-Russia Assembly attended by envoys of the peasantry from 75 regions of Russia. And the fact that Vladimir Nikolayevich Akatyev, a private farmer from the Moscow region, features on our electoral association's main list clears us of all suspicion and rebuts this deliberate lie.

Our political opponents and friends and allies often criticize us, saying: You Agrarians constantly talk about the problems of the countryside today yet within the Russian Government there are representatives of your party: Vice-Premier Aleksandr Zaveryukha, who is in charge of the agrarian sector of the economy, and Aleksandr Nazarchuk, the minister of agriculture and food.

That is all true. However, and I believe that the voters are well aware of this, it is not those people who are ex officio responsible for the agro-industrial complex and who are the real and often single-handed arbiters of the countryside's fate but entirely different people — those who long ago won the firm trust of the "international community" and who are persistently called "reformers" despite the fact that all these "reforms," just like "price liberalization," voucherization, and "piratization," are simply undermining and destroying the Russian economy and plunging millions of our fellow citizens into poverty.

The forthcoming parliamentary elections are a real chance to avert catastrophe. This is a chance by peaceful, parliamentary means to harness the policy of reforms in favor of the people, above all the honest worker in whatever sphere of the national economy, science, culture, education, and health care he is working.

Many labor collectives, public organizations, and well-known scientists, writers, artists, and musicians have already declared their support for the "Agrarian Party of Russia" electoral association. We understand why people are opting for the Agrarians — people who by their nature do not tend toward political intrigues, self-publicity, conceit, and idle chatter. With good reason the very word "peasant" is firmly linked in our consciousness with dogged daily work, patience, a love of peace, spiritual generosity, morality, and conscientiousness.... All these invaluable qualities are wholly characteristic of the best representatives of the Russian countryside today too. That is why many, even a great many Russians understand and appreciate our simple and uncomplicated slogan: peace and bread in every home!

All these things will happen if you, dear fellow countrymen, give our peasant electoral association due support. That at least is our hope.

Parties' Election Campaign Spending Detailed

LD2411175495 Moscow INTERFAX in English 1601 GMT 24 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 24 (INTERFAX) — The Liberal Democratic Party of Russia has already spent 7.29 billion rubles out of its 9.93 billion ruble election fund, the Central Election Commission [CEC] told INTERFAX on Friday.

The Congress of Russian Communities spent 235 million rubles out of the available 353 million rubles and the Beer Lovers' Party 222 million rubles of its fund of 240 million rubles.

The Democratic Choice of Russia-Unified Democrats bloc has so far used 175 million rubles out of its election fund of 2.98 billion rubles.

Others spent anywhere from 141 million rubles (Communist Party of Russia) down to 14 million rubles (Agrarians).

CEC officials said some of the blocs have not spent anything yet.

None of the blocs is allowed to exceed the limit of 10.9 billion rubles set aside for its election campaign.

Presidential Staffers Running for Duma Named

MM2711144195 Moscow ROSSIYSKIYE VESTI Saturday Edition in Russian 18 Nov 95 p 3

[Editorial Office feature: "Staff Employees Running for Duma"]

[FBIS Translated Text] "The Staff is dispersing." This recent press story about staff "leaving the presidential hierarchy" in connection with its reorganization was recently denied by [Presidential Staff Chief] Sergey Filatov. According to his information, the dynamics of staff turnover by no means reflect a mass exodus.

It cannot be ruled out that the widespread disinformation is linked to the fact that a number of employees at Presidential Staff and apparatus subunits are running for seats as State Duma deputies — both on the federal lists and in single-seat districts. The reasons why staff at presidential structures are "running for deputy" hardly differ from the reasons of any other Russian citizen — a desire to enhance their social and political status. Even more understandable is the reasoning of the electoral associations and blocs which are attracting the staffers of presidential structures —

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

they are relying on these candidates' professionalism, access to information, business ties, and, it cannot be ruled out, even their discipline.

ROSSIYSKIYE VESTI has decided, in order to lift the veil of secrecy from this process, to publish lists of staffers of the Russian Federation Presidential Staff subunits and apparatus who are running for the State Duma.

Staff on Russian Federation Presidential Staff Subunits:

O.P. Borodin: "Federal Democratic Movement," federal electoral district for the Far East, Siberia, and the Urals;

S.A. Dyachkovskiy: Kyshtymskiy Single-Seat Electoral District No. 184;

E.A. Kubarev: "Russia's Democratic Choice-United Democrats," Cheboksarskiy Single-Seat Electoral District No. 33;

A.K. Mikitayev: "Interethnic Union," federal list;

V.A. Pechenev: "Ivan Rybkin Bloc," Moscow City federal list, Chertanovskiy Single-Seat Electoral District No. 204;

P.G. Pozdeyev: Arkhangelskiy Single-Seat Electoral District No. 59;

V.P. Polyakov: Kavminvodskiy Single-Seat Electoral District No. 53;

A.P. Solodov: "For the Motherland!", Central Russia Regional Group federal list;

A.P. Surkov: "Federal Democratic Movement", federal list.

Russian Federation President's Plenipotentiary Representatives in Republics, Krays, and Oblasts:

V.I. Belov (Tver Oblast): The "89" bloc, Federal Regional Group No. 1;

V.G. Golovachev (Saratov Oblast): "Social Democrats," Saratov Oblast federal list;

N.V. Davydov (Kurgan Oblast): "Russia Is Our Home" [NDR], Kurgan Oblast federal list;

V.N. Kamornik (Sakhalin Oblast): NDR, Sakhalin Oblast federal list;

V.F. Komchatov (Moscow City): "Independents' Bloc," Moscow City federal list;

A.A. Kureninov (Kursk Oblast): Party of Russian Unity and Accord, Kursk Oblast federal list;

Yu.A. Litvinov (Kostroma Oblast): NDR, Kostroma Oblast federal list;

G.M. Oynvid (Koryak Autonomous Okrug): "Independents' Bloc," Koryakskiy Single-Seat Electoral District No. 217;

O.V. Savchenko (Kaluga Oblast): NDR, Kaluga Oblast federal list.

Staff on Apparatuses of Russian Federation President's Plenipotentiary Representatives in Republics, Krays, and Oblasts

Kh.O. Arapiyev (Ingush Republic): Electoral bloc including the party for the protection of invalids and a number of other parties and movements, federal list;

A.A. Zhabrev (Leningrad Oblast): "Independents' Bloc," Leningrad Regional federal list;

O.V. Kuznetsov (Chita Oblast): "Russia's Democratic Choice-United Democrats," federal list for group of regions No. 1;

D.A. Ledovskoy (Chukotka Autonomous Okrug): Chukotskiy Single-Seat Electoral District No. 223;

Ye.P. Maltsev (Kaluga Oblast): "Russia's Democratic Choice-United Democrats," Kaluga Oblast federal list;

M.M. Mestoyev (Ingush Republic): Electoral bloc including the party for the protection of invalids and a number of other parties and movements, federal list;

Ye.V. Morgunova (Voronezh Oblast): "Russia's Democratic Choice-United Democrats," Voronezh Oblast federal list;

I.A. Murzabekov (Ingush Republic): Electoral bloc including the party for the protection of invalids and a number of other parties and movements, federal list;

L.Ye. Rybina (Tambov Oblast): The "89" bloc, No. 2 Regional Group federal list;

V.G. Tatarnikov (Irkutsk Oblast): NDR, Irkutsk Oblast federal list;

A.N. Trindetskiy (Maritime Kray): "Independents' Bloc," Far East federal list;

A.D. Khautiyev (Ingush Republic): Electoral bloc including the party for the protection of invalids and a number of other parties and movements, federal list.

Leaders of Committees and Commissions Under the Russian Federation President (on a Voluntary Basis):

D.A. Volkogonov: "Russia's Democratic Choice-United Democrats," federal list for group of regions No. 4;

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

S.A. Kovalev: "Russia's Democratic Choice-United Democrats," federal list, Chertanovskiy Single-Seat Electoral District No. 204;

Ye.F. Lakhova: "Women of Russia," federal list, Sengileyevskiy Single-Seat Electoral District No. 180.

Russian Federation Security Council Apparatus:

V.A. Rubanov: "Trade Unions and Industrialists of Russia-Union of Labor," federal list.

Shumeyko Spokesman Confirms Creation of New Movement

LD2711184795 Moscow Radiostantsiya Ekho Moskvy in Russian 1300 GMT 27 Nov 95

[FBIS Translated Text] Russian Reforms — A New Course [Rossiyskiye Reformy — Novyy Kurs], a new mass movement, intends to declare its program at its founding assembly, which is scheduled for 1 December. We have already reported that Governor of Sverdlovsk Eduard Rossel, one of the founders of the movement, has denied a report on its creation. Moreover, as already reported, the idea of another founder of the New Course, Vladimir Shumeyko, speaker of the upper chamber, was rejected by Boris Yeltsin, too.

However, in an interview with our radio station, Yuriy Avgunov, press secretary of Vladimir Shumeyko, said that the association is being set up and Rossel is simply clarifying certain matters regarding his participation in it.

[begin Avgunov recording] We are talking about 22 politicians, including Shumeyko and Rossel, and none of them have withdrawn their signatures from this appeal. They have come out as authors and co- authors of the idea of setting up a public movement which could help to fill that political vacuum which is today growing in Russian society, a vacuum which the upcoming parliamentary elections will not be able to fill completely. This is a movement which would help to overcome the growing estrangement between Russian society and the authorities. [end recording]

Gay Groups Urge Vote for 'Democratic Choice'

MM2711160595 Moscow ROSSIYSKAYA GAZETA in Russian 25 Nov 95 p 1

[Article by Sergey Kotov. "'Blue Radiance' of Newcomers to Politics Spreads Over Tricolor Emblem"]

[FBIS Translated Text] Does God move in mysterious ways? According to a report from the IMA-PRESS agency, the St. Petersburg homosexuals' association "Wings" [Krylya] and the "Gay Cities" [Golubyye goroda] movement of sister cities have urged their brothers and sisters in sexual orientation, and also perfectly ordinary citizens of Russia, to vote for Gaydar's "Russia's Democratic Choice." This is the clear message of the latest election video in the style of the post-Impressionists: The color blue [goluboy — the standard Russian equivalent for "gay"] suddenly starts to spread over the tricolor "Russia's Democratic Choice" emblem.

Joking aside, an extremely curious precedent is being set. In many countries gay support is a political factor of considerable importance, especially since in civilized countries any discrimination or defamation on the grounds of sexual orientation is categorically prohibited and subject to prosecution. Moreover, in New York the mayor himself participates in gays' traditional marches, thereby demonstrating his concern for their everyday problems.

This is evidently why gays in Russia have also decided to support a force which highlights its own liberal orientation. And is the abandonment of stereotypes in terms of gays and lesbians not an expression of modern liberalism pure as the driven snow?

It is another matter that Russia is to a large extent a conservative country which has not absorbed many liberal fetishes, and therefore the vote of confidence given to Gaydar by the gays could quite well not benefit him greatly. A couple of years ago the singer Sergey Pankin reacted extremely sharply to a dubious report from a certain provincial city that he had been elected something like honorary chairman of a local gay society. And President Clinton too was unsuccessful to some extent in his own attempt to allow gays into the American Army. The "guys in khaki" did not understand, to put it mildly.

But on the other hand every man's freedom is limited by the freedom of his brother on the other side of the fence. And so any citizens are free to voice their support for politicians while politicians — willy nilly — are free to accept or publicly reject it.

Regional Activities

Duma Candidate Killed in Chita Region

LD2611061995 Moscow ITAR-TASS World Service in Russian 0242 GMT 26 Nov 95

[By ITAR-TASS correspondent Andrey Fomin]

[FBIS Translated Text] Chita, 26 Nov [ITAR-TASS] — Sergey Markidonov, a member of the Russian Federation State Duma, was killed last night in the town of Petrovsk-Zabaykalsk, Chita Region. The procuracy is

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

treating it as a criminal matter and an investigation is underway.

Sergey Markidonov was a registered candidate for election to the new State Duma, from territorial constituency No. 188 in Chita Region. He was campaigning in Petrovsk-Zabaykalsk. [Markidonov was incumbent member for constituency 188].

Officials Criticize Security Agencies

LD2611161295 Moscow INTERFAX in English 1347 GMT 26 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 26 (INTERFAX) — Leader of the State Duma's communist faction Gennadiy Zyuganov believes that the murder of State Duma Deputy Sergey Markidonov is a consequence of "criminal outrage and paralysis of the state-security and interior-ministry agencies." He told INTERFAX Sunday that "the executive authorities must be reorganized and double responsibility introduced for the situation in the country."

Member of the communist faction, Chairman of the State Duma's security committee Viktor Ilyukhin told INTERFAX that irrespective of the motives of the murder "it was obviously politically tinged." He also said that "the feeling of grief is increased by the "absolute inefficiency of the agencies charged with the task of combating crime."

Ilyukhin said that his committee was right proposing the most rigid measures to combat crime. He said that during the latest Duma session the committee-drafted laws on combating organized crime and corruption had been approved and submitted to the Federation Council.

A leader of the Yabloko faction, Chairman of the Committee for International Affairs Vladimir Lukin told INTERFAX that unfortunately neither the federal nor the regional authorities can ensure the security of the deputies and candidates running for parliament. The absence of reliable protection for this category of citizens is a manifestation of "disrespect for the constitution, for which both regional and federal executive bodies must be brought to account," he said.

Valentin Tatarschuk, a leader of the Russia's Choice faction and chairman of the Executive Committee of the Democratic Choice of Russia party, said that the murder of Markidonov was a logical result of the long chain of unresolved murders, the responsibility for which rests with the law-enforcement bodies. He said that punishment for making attempts on human life — the supreme value — must be toughened.

State Duma Vice Chairman Aleksandr Vengerovskiy (the LDPR [Liberal Democratic Party of Russia] faction) believes that the murder of deputies and other crimes will be committed until at least one of the murderers has been punished. Given the current instability, "there is no sense in talking about prospects for the work of the 6th State Duma," he said. He expressed regret that the murderers' victim was a young deputy who used the name of the group Stability as his motto. "Viktor Chernomyrdin, who has been supported by the Stability group since the beginning, must take the most rigid measures to combat crime," said Vengerovskiy.

Bodyguard Suspected of Committing Murder

LD2711130395 Moscow INTERFAX in English 1221 GMT 27 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 27 (INTERFAX) — State Duma deputy Sergey Markidonov may have been murdered by guards company staffer Fedorov. This version is being confirmed and seems to be the most probable, Chairman of the Duma Security Committee Viktor Ilyukhin told INTERFAX and ITAR-TASS Monday.

Markidonov was shot in the head and found early Sunday morning [26 November] in the Petrovsk-Zabaykalskiy town, Chita region. It has been established that the room, locked from inside, contained only two people — the Duma deputy and a bodyguard he hired in the Chita region. The two were drinking alcoholic beverages. Two cartridge-cases were found in the room.

The version that the deputy was murdered by Fedorov has been confirmed by two sources, said Ilyukhin. "But being an investigator, I trust only experts," stressed the deputy. He called for a ballistic examination to determine what gun was used.

In Ilyukhin's opinion, domestic murder is not excluded, judging from the alcohol consumption, and it seems that the murder did not have political reasons.

Zyuganov's Campaign Tour Detailed

MM2311110895 Moscow SOVETSKAYA ROSSIYA in Russian 23 Nov 95 p 3

[Report by Sergey Ivanov under the "For Our Soviet Motherland!" rubric: "People on the Banks of the Neva River Recall the...Cradle"]

[FBIS Translated Excerpt] G. Zyuganov, leader of the "Communist Party of the Russian Federation" electoral association, is continuing his tour of the country. On 16 November he visited St. Petersburg, a city which, in the 10th year of perestroyka, is beginning to recall its revolutionary past [as 'cradle of the October Revolution'].

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The city on the banks of the Neva River is primarily a scientific and industrial center, and it is therefore no accident that the program of Zyuganov's visit included meetings with the trade unions and leaders of industrial enterprises. [passage omitted]

For the first time since the onset of perestroyka, the directors of St. Petersburg's 50 largest enterprises, united within the Association of Industrial Enterprises, met with Communist leader G. Zyuganov. Association Executive Director A. Aleksandrov shared his impressions from the meeting: "Our association has held a series of meetings with the country's leading politicians, and G. Zyuganov was the first among them who did not evade controversial issues and stated his position with utmost clarity. We directors would like the country's potential future leader to realize that what we are experiencing in Russia now is not a stabilization, as the authorities assure us, but, on the contrary, a continuing slump and profound economic crisis which will be followed again not by a boost but by a depression — a most grave period which will bring along falling employment, declining living standards, and so on."

The assembled directors did not have to spend a long time convincing Zyuganov of this. He said: "There is a prehistory to our tragedy. Way back in the wake of the Caribbean crisis, U.S. President J. Kennedy formulated the task as follows: 'We cannot wage war against the USSR, but we cannot accept this country's intensive development and its becoming a competitor of the United States. It is necessary to find a way to halt the Soviet Union without resorting to war.' This plan's implementation started in 1985, initially under the guise of 'perestroyka,' and is now continuing beneath the cover of radical reforms. You are being frightened by claims that the Communists will allegedly turn backwards. But I recently visited Kursk Oblast — the Oboyan motor vehicles repair plant, which used to repair 120 vehicles a day in the past, has now assimilated the manufacture of wooden wagons and, starting next week, will launch the production of horse collars at 362,000 rubles a piece. So, who is it that has already pushed us back not to 1917 but to the 17th century?"

Both sides also agreed on the question of the national idea. "It is in the period of depression," A. Aleksandrov believes, "that the country needs a pan-Russian idea which would map out the guidelines for extrication from this pernicious situation. This must be an idea which would be understood by workers and directors alike, an idea that would be backed by at least one-third of the population."

In their own sphere, the machine building sector leaders perceive the economy's militarization as one such guideline. They believe that it is necessary to pick one priority avenue in the economy and, sticking to it, pull the whole country out of the morass.

The Arab countries owe their prosperity to oil. Over there, however, the directors say, there is too much oil and not too many people, and therefore there is enough for shaykhs and paupers alike. This is why the promises by the "Gazprom Is Our Home" bloc to turn Russia into another Kuwait are based on quicksand, and they proliferate like a desert mirage just to win votes for this bloc.

The arms market is the most efficient and most profitable in the world today, and many of our products are still superior to the West's. Back in 1989-1990 we earned $13 billion from arms sales — 10-fold what we are earning now.

Even though we are living in one country, the capital and the provinces have different concerns. After St. Petersburg, G. Zyuganov's route took him to Volkhov, one of Leningrad Oblast's industrial towns. The waves of corruption have not washed over the smaller town as much as over the large cities. The streets are tidier, the plant's Lenin Room remains untouched. But it looks as if Moscow has passed sentence on smaller towns, and their needs are much more urgent and acute. [passage omitted]

While in Volkhov G. Zyuganov visited the Volkhov hydroelectirc power station, the GOELRO plan trailblazer, which will celebrate its 70th anniversary next year. He was surrounded by women in one of the shops: "It's great to see you in real life, Gennadiy Andreyevich. The pictures we see of you on television don't do you any credit at all." "You can still have a chat with me, let's find a quite spot against the wall," Zyuganov laughed. "No, it's others who should be lined up against the wall," came the serious reply.

Zyuganov also visited the Volkhov aluminum plant, which is another one of Soviet industry's pioneers. The country's first aluminum was produced there. In Soviet times it was the only plant in the country capable of comprehensively processing ore from the Kola field, producing phosphate fertilizers and much else besides. But now the town's largest plant has been taken over by a Belgian firm and its workers are no longer masters of their own future. The new owners have suggested a price for its output which is totally unrealistic in the light of our inordinate taxes. Financial deficit, like a deadly virus, is infecting everyone.

"As a matter of fact, there is money to be found," G. Zyuganov declared in the evening at a meeting with voters who had packed the hall at Volkhov's

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Palace of Culture. "I can indicate at least five sources where money can be found the day after tomorrow, provided that healthy forces come to power tomorrow." For example, Chubays is selling off the Magnitogorsk complex for $27 million, which is less than one-hundredth of its true value. The Communists are not supporters of Chubays' privatization but, if we were to receive the full value of the Magnitogorsk complex, that would provide enough funds to pay the pensions of one-half of our old people.

"There is a second source," Zyuganov said. "I suggested to Chernomyrdin to introduce a state monopoly on vodka and tobacco products, the way it used to be for centuries in Russia and the Soviet Union. The money that is now lining the pockets of wine merchants — more than 100 trillion rubles (!) — will be enough to settle with machine builders, nuclear industry workers, doctors, and teachers."

A third source: One-third of all treasury revenue came from the light and textile industries in the past. There are 80 combines standing idle in Ivanovo for the second year running. G. Zyuganov proposed: Let us buy cotton from Uzbekistan at moderate prices. So, they went and bought 120,000 tonnes (which would have been enough for seven months' work at all the combines). But the market economy intervened: Having bought it, the middlemen immediately sold it abroad — there were higher profits to be made there. Nobody is to blame — market forces.

The Communists also proposed measures to protect the country's commodity producers. A sum of $200 billion has been taken out of the country. Even if that money were to simply sit in the banks, it would produce an income of $12 billion a year — more than the West is giving to Chernomyrdin. Here are just a few obvious sources, which would make it possible to prevent unemployment and starvation, Zyuganov said in conclusion.

A respectable gentleman standing in the lobby, to all appearances a prosperous entrepreneur, pondered aloud without addressing anyone in particular: "It looks as if the Gorbachev plague has worked to the Communists' advantage...."

Ryabov Allocates R3 Billion for Chechen Elections

LD2711133195 Moscow INTERFAX in English 1220 GMT 27 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 27 (INTERFAX) — Chairman of the Russian Central Electoral Commission Nikolay Ryabov instructed the transfer of 3 billion rubles [R] for elections of the Chechen head and a State Duma deputy in the Chechen single-mandate electoral district within the next two or three days. The instruction was given at a working meeting of the Commission Monday.

Ryabov said 860 million rubles have been transferred to the Chechen Republic for these purposes.

Preelection Confusion in Chechnya Viewed

MM2411122095 Moscow IZVESTIYA in Russian 24 Nov 95 pp 1,2

[Report by Igor Rotar: "Chechnya: Both Sides of the Front Line"]

[FBIS Translated Excerpt] Groznyy — The real power of the federal troops ends just a few dozen kilometers south of the city of Groznyy. Officially speaking these regions remain under Moscow's control and you can still see the federal troops' positions some distance from the population centers. However, at the entrance to all the villages there are the self-defense detachments' posts. The gunmen themselves do not hide the fact that they are under Dzhokhar Dudayev's jurisdiction. "Since the signing of the military agreement control of the villages has been exercised by the local self-defense detachments and of course it is no secret that they are all soldiers of the Republic of Chechnya-Ichkeriya army (that is, they are Dudayev's gunmen — I.R.)," Isa Madayev, commander of the Chiri-Yurt settlement and cochairman of the special observers' commission Committee for Locating Prisoners of War, told IZVESTIYA. "It is easy to prove that we are in full control of the situation in the villages. There are Russian prisoners of war in our settlement, for example."

In Captivity

"Allah is with us, victory will be ours, we will triumph over Russia!" says the inscription on the wall of a former kindergarten in the settlement of Chiri-Yurt where Russian servicemen are being held. Many of them receive visits from relatives and the Chechens do not prevent the soldiers from living with them.

"I served just four days in Chechnya. At the beginning of August I was at a post near the village of Bamut and went off into the bushes to take a leak. There I was seized by soldiers from Dudayev's intelligence service. They have been treating me well, sometimes we do some work — we help local inhabitants. But that is not often — it lasts no more than six hours. They let me send my mom a telegram. She has been living with me here for a month now," 19-year-old Vladimir Karpachev told me.

"We have nothing against these young lads — it was not their fault that they were sent here. Every

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

day our soldiers collect taxes from market traders and this money is used to feed the prisoners of war. Unfortunately we cannot release them at the moment. The Russian side is stubbornly refusing to hand our soldiers over to us, they try to fob us off with criminals. But why should we want them — a criminal is just a criminal wherever he is," Isa Madayev said.

Furthermore, some of the servicemen will not return home voluntarily. Madayev showed me the following statement: "I, Aleksandr Vladimirovich Rudenko, a former servicemen of the Russian Army, military unit 5484, do not intend to return home or to my unit because I do not recognize the government of the Russian Federation or the reprimand that will be in store for me after my return. 15.08.95. I certify that this letter was written voluntarily and in my presence. [signed] Zabelnikov, major in the Russian Army."

The 19-year-old Valentin Korolev voluntarily switched to the Chechen side. He has converted to Islam and has adopted a new Muslim name — Valid. [passage omitted]

In the Land of the Soldiers of Islam

The whole of Chechnya's mountain region is living under Islamic law today.

"I was the first to introduce Shari'ah courts on our territory and I believe that in the future there will be a division of the courts and anyone can choose for himself which court he prefers to be judged in. We consider ourselves soldiers of Islam and therefore do not fear death. Because of its godlessness Russia is already in its death throes. Quite recently near Shali there was fighting among various categories of Russian troops. When the first snow fell 18 Russian soldiers died from the cold. Russia does not give a damn about its own Russian people. But what about us Chechens? You know that twice envoys from Moscow have visited me representing very important people and asked me to help them carry out a coup d'etat in Russia. I refused — no matter who is in power in Moscow this will not help. Russia is fatally wounded, you have forgotten your god," Shamil Basayev, commander of Dudayev's eastern front, told IZVESTIYA.

[Rotar] "You badmouth godless Russia, Shamil, yet during your action in Budennovsk innocent people died. Can a true Muslim do that kind of thing?"

Basayev was stung by this and I sensed how unpleasant this question was for him.

"I don't think there is any such thing as an innocent Russian," the "hero of Budennovsk" snapped back. "When I drove along the roads of the Chechen mountains there was an almost constant roar of artillery in action. Now, during the armistice, the federal troops do not trouble the Chechen villages but amuse themselves shelling the mountainsides."

"When the Russian troops were here they slaughtered a large proportion of our livestock, now we cannot put those we have left out to pasture — they are worth their weight in gold to us today," Chechen peasants complained to me.

"Russia is continuing to use scorched-earth tactics," Shirvani Basayev, commander of Vedeno, told me, pointing in the direction of a mountainside forest in flames. "If Greenpeace were to come here they would find much that would be of interest to them. The people are at the end of their tether and it is at a time like this that Russia is contemplating elections."

Khasbulatov's Revenge?

Nevertheless, in Groznyy itself preparations for the elections are continuing actively. Admittedly, the telephone at the Central Electoral Commission has been cut off because of nonpayment and its staffers cannot even call Moscow to clarify procedural matters. The major disputes are over the participation of Russian servicemen in the elections. If they take part it will be possible to collect enough votes for the elections to be considered valid. Even the commission members do not have the same view on that score. "The law offers no clear clarification on that question but my personal view is that all Russian servicemen are entitled to take part in the elections to the federal organs of power but should not take part in the elections for the head of the republic unless their military units are stationed on its territory. At the military commissariat we were told that there are two military units permanently stationed in Chechnya today but the number of servicemen in them has not been ascertained yet," Abdulkarim Asakharov, chief of the Chechen Republic Central Electoral Commission, told IZVESTIYA. However, here is the opinion of Yakub Sobirov, deputy chairman of the Central Electoral Commission: "Servicemen on assignment should send their ballot papers in to those electoral precincts where their military units are stationed." Nevertheless, both my interlocutors agreed that their debate is abstract in character and the final decision should come from Moscow, if the phones begin working again, of course....

The most interesting thing, however, is that the law on the elections for the head of the republic is not entirely clear. According to the law "citizens of the Chechen Republic who have attained 17 years of age may take part in the election." But the problem is that the law on citizenship of the Chechen Republic has not been

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

adopted — at least, not as far as members of the Central Electoral Commission are aware.

Our animated discussion was unexpectedly interrupted by the appearance of new visitors. The new arrivals introduced themselves as members of the staff for Ruslan Khasbulatov's election as head of the republic. As Magometabdul Shakhmedov, the chief of the staff, assured me, "Ruslan Imranovich has definitely decided to run for the post of head of the republic."

Khasbulatov's standing in Chechnya is very high and his chances of election are very high, too. The participation of this politician in the elections could ensure the percentage of votes necessary for the elections to be deemed valid. However, it is not known for certain yet whether Khasbulatov will take part in the elections. It is down to the question of Chechen citizenship.

In any event shocks are inevitable in the elections. "There will be excesses, of course, and we must be prepared for that," Yakub Sobirov, deputy chairman of the Central Electoral Commission, is convinced.

At around 1900 hours I was walking in Groznyy, a city plunged into darkness. Suddenly I was surrounded by three young men. "Give us your money!" One of the strangers held his hand suspiciously in his coat pocket. What should I do? In Groznyy today they have no qualms about killing people so I meekly had to hand over the million rubles that I had on me.

I ran to the nearest police post where the law enforcement officers immediately set off in pursuit. Unfortunately without success. "Do not think that these were gunmen. They were common market-place scum. You must understand — there is no work, there are ruins all around, so a few degenerates go around looting. Yes, this is the situation — and all they can think of is holding elections," one policemen said with a sigh as we parted company.

Forecasts & Commentary

Commentary Sees KRO Having Edge Over CPRF

MK2511073895 Moscow NEZAVISIMAYA GAZETA in Russian 22 Nov 95 p 2

[Analysis by Boris Kagarlitskiy: "The KRO Wants To Replace the CPSU. In Russia, the Time of Skokov Is Coming, While the Time of Zyuganov Is Going"]

[FBIS Translated Text] The obvious success of the Congress of Russian Communities [KRO] can hardly be regarded as the result of good propaganda work or General Lebed's personal popularity. Judging by the campaign conducted by the KRO, the professional level of their imagemakers is simply awful. Not just a team has emerged around Yuriy Skokov, but the core of a new political elite ready to fulfill a new social order. The essence of the order is this: The liberal/pro-Western model should give way to the national-conservative model.

Like any coalition, the KRO is not homogeneous. It has its own leftists and rightists, representatives of trade unions and entrepreneurs, provincial leaders, and Moscow politicians. But this heterogeneity today makes the KRO an effective political machine for addressing certain tasks. Corporate links between trade unions and managers allow for the preservation of unity at least as long as the majority of the working people remain passive. Skokov's success was also facilitated by the discontent of regional trade union leaders with the inconsistent and demonstratively moderate policy of the Moscow leadership of the Federation of Independent Trade Unions of Russia. Meanwhile, provincial technocrats see the KRO as an all-Russia organization responding to their perception of order and efficiency. Most regions have long stopped dreaming of independence: They need strong administrators in the capital who can talk with them in the same language.

In effect the KRO aspires to take the place of the public-state structure that has remained vacant since the collapse of the CPSU. According to Skokov himself, the KRO is a "nationwide, supra-partisan association of the finest forces of Russian society. It has brought together with a single aim — the revival of Russia — a truly popular initiative, the living creativity of the masses, and the intellectual and organizational potential of the elite — scientific, artistic, industrial, military, and political." Only now, communist ideology is being replaced by a patriarchal-communal understanding of capitalism.

There is no doubt whatsoever that the KRO advocates the ideas of Russian "national" capitalism. This point is made by Skokov himself, who calls for the results of privatization to be "inventoried" and at the same time stresses that the course proclaimed in 1992-1993 cannot be abandoned because these decisions "express the will of the people."

The KRO's rise points not only to a reorientation of the state-entrepreneurial elite, but also to a crisis of the leftists. In effect we are seeing a complete failure of politicians who have tried to wed the leftist idea with Russian nationalism.

The KRO borrowed the program of leftist nationalists almost completely, the only difference being that there is nothing leftist either in the KRO's objectives or its ideology. Whereas the leftist tradition presupposes social solidarity and a "horizontal" association of working

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

people, nationalism proffers the principle of hierarchy and vertical organization.

Both the leftists and the national-conservatives see the state as a means to implement their economic targets. But their views on the nature and social tasks of the state are opposites. This is why, in spite of similar social demands, the leftists and the nationalists will never be able to unite successfully. No matter how representatives of the Communist Party of the Russian Federation [CPRF] might seek cooperation with the KRO, there is objectively no room for them in this project.

While Communist Party leaders rejoice over their high popularity ratings, the CPRF's position is becoming more and more difficult. The party is falling on hard times.

One CPRF deputy recalled the famous words about an army that is always preparing for the previous war. The Communists prepared for a struggle against the "democrats," who are leaving the stage just the same, even without their assistance. Then it appeared that the main enemy was Chernomyrdin. Skokov's and Lebed's spectacular rise upset the apple cart.

The main problems await the Communist Party after the elections. If the KRO becomes a leader, then, responding to the wishes of the working people, the president can appoint Skokov premier. If the Communist Party leaves the KRO behind, then, defending the country against "communist revenge," Yeltsin can choose Skokov for premier.

Skokov and his friends are playing a win-win lottery, while the Communists' is of the lose-lose variety — although both are playing according to the same rules. Regardless of how many votes the CPRF gets, its leadership is confronted with an unpleasant choice — to support Skokov as an alternative to the current course or to deny him support as a "reserve party of power." In the first instance the CPRF will bear responsibility for everything the new premier does, and this will not necessarily suit rank-and-file Communists or their voters. If the CPRF denies Skokov support, it will be accused of leftism, extremism, splitting the opposition, and even playing up to the authorities.

Pensioners will vote for the CPRF in an organized way, but for natural reasons their numbers are falling off with every year. In spite of all efforts by Gennadiy Zyuganov, the Communist Party has failed to win the sympathies of the young. The intelligentsia, the middle class, and skilled workers view it with suspicion, although the CPRF has more than once demonstrated its moderation in parliament. For many leftists, on the other hand, the CPRF is too parliamentary and too moderate.

Leftist pressure, combined with great power rhetoric, was good enough for a Gaydar-era opposition party. But now the time of Skokov is coming in Russia. What can the Communist Party set against him?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

ITAR-TASS Carries Press Review for 28 Nov

LD2811140795 Moscow ITAR-TASS in English 0544 GMT 28 Nov 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] Moscow, November 28 (Itar-Tass) — Today's newspapers highlight the assassination of Duma lawmaker Sergey Markidonov. Izvestiya says in an article by Yuriy Senatorov and Sergey Chugaynov that the colleagues of the assassinated lawmaker have rejected a version suggesting that it was a murder caused by "drinking", as the Chita Regional Interior Department had initially suggested. Speaker of the State Duma Ivan Rybkin has disagreed with this version either. In an interview with Izvestiya Rybkin positively characterized the assassinated lawmaker, stressing that deputies should not pin hopes on cloudless and secure life, adding that being a lawmaker in Russia today was a not only a difficult, but dangerous task as well.

Rossiyskaya Gazeta and Trud say that the State Duma have lost four lawmakers over the period of less than four years who fell victim to violent crimes. Rossiyskaya Gazeta pointed out that unlike LDP lawmaker S. Skorochkin who had been murdered earlier, Markidonov was not openly connected with the Russian "business." Incidentally, Trud reminded of the fact that before being elected to the Duma Markidonov was in charge of the Chita Regional Property Fund.

Izvestiya comments on a difficult role assigned to the Russian constitutional court. In an article by Yuriy Feofanov the newspaper comments on an inquiry lodged by lawmakers of the Kaliningrad regional Duma with the Russian Constitutional Court asking to confirm the constitutionality of the local law on lawmakers being immune from prosecution.

Rossiyskiye Vesti analyses chances run by different political movements in Russia to have its representatives in the renovated system of the highest legislative power. In an article entitled "Farewell to LDP" [Liberal Democratic Party] the newspaper says that the LDP led by Vladimir Zhirinovskiy will fall into oblivion in about six months' time. The newspaper says that the firsts offspring of the Russian democracy in the near future will be sent to a museum of political history. The newspaper analysts have arrived at a conclusion that this time, Zhirinovskiy is going to have serious problems with the electorate. "Zhirinovskiy will have the least educated and the most marginal part of the population among his supporters who do not have their own specific of group interests," the newspaper said.

Rossiyskaya Gazeta carries an article entitled "A chance for Dudayev", saying that the activities of the president and the presidential team are becoming increasingly steadfast, which helps build up resources in order to win a presidential race. "If this is really so, this is a good sign," the newspaper said. A turnabout to a new course is taking place, if it has not taken place already. Controversy around elections in Chechnya is a bright illustration of this fact. These elections are of equal importance now both to Chechnya, Yeltsin and Dudayev. Only these elections can offer almost a 100-per cent chance of the peaceful settlement of the conflict which have exhausted both sides. In another article entitled "Chechnya's fate will be resolved by the people" Rossiyskaya Gazeta carries a publication devoted to a "round table" meeting a held at the newspaper editorial office with the participation of scientists and public activists who came into prominence in Chechnya and who represent the Chechen Diaspora in Moscow.

Rossiyskaya Gazeta comments on problems connected with the return of property to the population in rural regions who fell victim to Stalinist repressions.

Rossiyskiy Fermer in an article entitled "Can One Buy a Title of a Landowner" comments on hardships faced by a woman whose plans to move from town to the country were frustrated. The land cultivated by the industrious woman in the Moscow countryside was needed by some else to build cottages and the woman was thrown out of the newly made home with all her belongings. A newspaper correspondent who made an attempt to clarify the situation was told by the regional administration that "the house had been returned to its legal owner who suffered in the times of the Stalinist repressions."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Summarizes President Clinton Speech on Bosnia

MM2811160295 Moscow IZVESTIYA in Russian 29 Nov 95 p 3

[Report by Vladimir Nadein: "Lethal Trick on Preelection Tightrope. President Clinton Tries To Persuade America To Approve Sending of Soldiers to Bosnia"]

[FBIS Translated Text] Washington — "America is not going to wage war in Bosnia," Bill Clinton said when speaking on television. "It is a question of helping the Bosnian people to secure their own peace agreement," he said. "Our mission will be restricted, narrowly targeted, and carried out under the command of a U.S. general."

The President spoke out sharply against the views of those who believe that the United States should cast off the burden of world leadership in connection with the end of the Cold War. He asserted that "it is the force of our ideas even more than our size, our wealth, or our military might that makes America a country which enjoys unusual trust."

Clinton expressed his sharp disagreement with the idea that America can sit on the fence outside its borders. Like other nations, he said, "we are vulnerable to the organized forces of intolerance and destruction, terrorism, and ethnic, religious, and regional hostility, and to the spread of organized crime, weapons of mass destruction, and drugs smuggling. Just like the forces of fascism and communism, these forces carry a threat to freedom and democracy, peace and prosperity."

The President said that America's world commitments cannot be limitless. "America cannot and must not be a world policeman," he said. "We cannot extinguish all wars at all times, but we can stop certain wars. We cannot save all women and all children, but we can save many of them. We cannot do everything, but we must do what we can."

"I have refused to send American soldiers to fight in Bosnia, but I am sure that we must help to secure the Bosnian peace," the President affirmed. He warned that nobody can guarantee servicemen's complete safety. Casualties are likely. There might be accidents, clashes with those who have not rid themselves of the feeling of hatred are likely. Clinton said that, unlike the forces sent to Bosnia by the United Nations, NATO servicemen will not only be well-armed and prepared but will also have the right to shoot first at those who would violate the military aspects of the peace agreement that they themselves have signed. "America knows how to defend itself," Clinton threatened likely enemies.

Clinton said that 20,000 U.S. soldiers are already ready for the operation, which will begin in mid-December and last for no longer than a year. In the light of the approaching elections, the sending of ground troops to Bosnia is a step which is bold to the point of recklessness. All it will take is a dozen casualties on the eve of the voting, the blowing up of a single truck carrying soldiers, one act of sabotage, and the presidency's fate could be sealed.

At the conclusion of his speech, which was relayed from the White House Oval Office by several television companies, Clinton cited a conversation from his recent meeting with Pope John Paul II, who visited America at the beginning of October. "I have lived through almost all this century," the pontiff told his interlocutor. "I recall that it began with a war in Sarajevo. Mr. President, you must not allow it to end with a war in Sarajevo."

Yeltsin Said To Attend Paris Signing of Bosnia Pact

LD2711181895 Moscow INTERFAX in English 1620 GMT 27 Nov 95

[From the "Diplomatic Panorama" feature by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, Nov 27 (INTERFAX) — If doctors do not object, Yeltsin will go to Paris to sign the agreements on peaceful settlement in Bosnia and Herzegovina, informed sources in Moscow told INTERFAX Monday. The agreements were drafted and initialled in Dayton, Ohio (United States).

The documents are to be signed on December 4 or 6 by the leaders of three former Yugoslav republics — Serbia, Croatia and Bosnia — and by the leaders of the contact group's member-states: Russia, the United States, Britain, France and Germany.

"If the contact group decides that the Paris conference should be attended by the state leaders, the possibility of Yeltsin's trip to Paris might be considered," said a source. "Yeltsin completed medical treatment at the Central Clinical Hospital on Monday and moved to a recreation center in a Moscow suburb," he said.

"But if doctors have any doubts about Yeltsin's condition, the ceremony will be attended either by Foreign Minister Andrey Kozyrev or, which is more probable, by Prime Minister Viktor Chernomyrdin," he continued. "Anyway, Kozyrev is likely to be included in the Russian delegation," he said.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Official Denies Yeltsin's Attendance

LD2711173995 Moscow ITAR-TASS World Service in Russian 1548 GMT 27 Nov 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 27 Nov (ITAR-TASS) — The Kremlin at present possesses no information whatsoever about alleged preparations for a trip by Boris Yeltsin to Paris to sign the agreement on the Bosnian peace settlement in the first half of December. This comment was made today at the request of ITAR-TASS by Sergey Medvedev, press spokesman for the Russian head of state, on claims appearing in the mass media to the the effect that Boris Yeltsin intends to attend the ceremony to sign the Bosnian peace agreement.

Reportage on Defense Minister at Brussels NATO Session

Grachev Addresses Council on Bosnia Forces

LD2811131395 Moscow INTERFAX in English 1045 GMT 28 Nov 95

[FBIS Transcribed Text] Brussels, Nov 28 (INTERFAX) — Russian Defense Minister Pavel Grachev told a session of NATO's Council in Brussels on Tuesday that Russia is not against NATO acting as a collective peace-making force in Bosnia.

Moscow "does not rule out in principle" that NATO should act as "a collective instrument of force" in implementing the peace accord in Bosnia, he said.

Talks with U.S. Defense secretary William Perry made it possible to agree on the formula of Russia's participation in a peace operation in Bosnia, Grachev reported, adding that Russia will participate in the operation, but not under NATO's command. General guidance will go through U.S. Gen. George Jolevan as the supreme commander of multinational forces, with Col. Gen. Leontiy Shevtsov as his assistant in charge of Russian troops, which, according to Grachev, may be responsible for the Posavin corridor.

Grachev voiced hope that "a solution to the issue of political control over the operation" would be found. Moscow wishes for the operation in Bosnia to be carried out in line with a Security Council's mandate and under U.N. aegis. Such a mandate should set precise military and political objectives, ways and terms of conducting the operation," Grachev said, adding that a mandate should be given to a group of states, agreeing to delegate military contingents, the administration of which should be patterned on NATO's management.

Grachev: NATO Basis for European Security

LD2811121795 Moscow INTERFAX in English 1146 GMT 28 Nov 95

[FBIS Transcribed Text] BRUSSELS, Nov 28 (INTERFAX) — Relations between Russia and NATO are "without any exaggeration, the basis for European security," stated Russian Defense Minister Pavel Grachev.

Addressing NATO's session in Brussels, he said that "partnership between Russia and NATO, based on the real needs of the post-confrontation period, must become an inalienable part of the system of European security."

The conflict in the Balkans "has highlighted the importance of the earliest possible development of a comprehensive 21st-century system of European security," he pointed out. Moscow believes, said Grachev, that "the European and Trans-Atlantic cooperation organizations should gradually evolve into mutually-supplementary components of a single security system."

The OSCE, European Union, Council of Europe, CIS and NATO might become components of a single security system, he said.

In his opinion, military cooperation within the framework of a future security system "should ensure that the national armed forces of member-states be gradually transformed into elements of a single defense component of the European security system."

Commenting on the Study on NATO Enlargement, Grachev said that it lacks "convincing arguments in favor of NATO enlargement plans." He said the document dealt with the possibility of basing foreign armed forces and even nuclear weapons in the territories of new members. "This means that NATO will be building up its presence in the vicinity of Russia's western borders, to which we'll have to respond appropriately," said Grachev.

He said that Russia and NATO had "similar views on the present dangers threatening security." Given this, he proposed "broadening cooperation between Russia and NATO as two components of a potentially single reserve of warding off common dangers."

He said the revision of military doctrines, the lowering of the level of combat readiness and offensive potential of the troops, the reduction of the armed forces and cuts in the military budgets were the most promising aspects of cooperation.

In terms of "general parameters" Russia has implemented the agreement on cutting down conventional forces in Europe, said Grachev. He also expressed hope

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

that ways of solving "the flank problem" would be found, too. "The settlement of this problem is, above all, the question of ensuring the viability of the OSCE treaty, not only a matter of Russia's concern," said Grachev. "After all we are hosts in our home and have every right to furnish it of our own accord," said Grachev.

Grachev: Russian Brigade 'Independent' of U.S.

LD2811150195 Moscow ITAR-TASS World Service in Russian 1355 GMT 28 Nov 95

[By ITAR-TASS correspondent Aleksandr Mineyev]

[FBIS Translated Text] Brussels, 28 Nov (ITAR-TASS) — Russian Federation Defence Minister Pavel Grachev has told Russian journalists in Brussels that Russia's reinforced brigade of 1,500 men which is due to take part in the multinational forces' operation to implement the peace agreement in Bosnia has been assembled and is on a six-hour alert. He said that a group of Russian officers, commander of the brigade Col Aleksandr Lentsov and his chief of staff and chief of rear services arrived on 26th November at the place of deployment in Germany of the 1st U.S. Armored Division, where they are engaged in discussions on working together and generally making arrangements for the operation.

Grachev stressed that "the Russian brigade is independent and does not form part of the American division, as some of the media have been incorrectly suggesting. The division is the closest to our brigade when it comes to carrying out this mission, and they are collaborating".

On 23 November a security agreement was signed between Russia and NATO, providing the opportunity for Russian military representatives to take part in the detailed planning of the operation, elaboration of the rules of engagement and working out the tasks and obligations of the joint military-civilian commissions which are to be set up in conjunction with the military contingents from brigade upwards.

"That is, we received the opportunity to work with NATO secret documents," the Russian minister pointed out. Command-staff exercises are planned for 11-15 December, in which the Russian brigade's operational goup led by Col-Gen Leontiy Shevtsov will take part.

"Can one speak of Russia's participation on an equal footing in the operation, given the incomparable difference in financial expenditure, quantity of military hardware and number of personnel being allocated by NATO countries and by Russia?"

Answering this question from the ITAR-TASS correspondent, P.Grachev said: "One can and one cannot." After all, the Russian strengthened brigade has been placed out on the line of the "main thrust", in the area where the main task is being carried out (Posavina corridor - editor's note).

Of course, the minister admitted, with the 1,500 Russian troops and the 20,000 U.S., 15,000 British, with the contingents of a few thousand each from the other NATO countries there is an inequality, but it is not only of a quantitative nature. Russia could indeed put in 60,000 soldiers. The military leadership would be only too glad of such enormous practice for the troops, but Russia's financial and economic conditions do not permit that.

However, local observers say that this imbalance is making a certain impact on resolving the issue of the political control over the operation. This is being discussed at the talks between Pavel Grachev and Pentagon chief W. Perry and the "16 plus 1" meeting with NATO's defense ministers. The general scheme, which is being proposed by Russia, envisages that the UN Security Council will appoint a high-level envoy to Bosnia-Herzegovina who will be empowered to exercise political control. However, the mandate for the operation will be given "to a number of states which will agree to allocate their contingents" but not to NATO. However, Grachev admitted that this scheme is partially no longer valid, since the Bosnian sides themselves have said in the Dayton agreement that it would be possible to set up the contingent under the NATO administration with political control by the NATO Council.

The Russian side has drafted two alternative drafts to find a way out of this situation. The Americans in turn have said that they have proposals which will not infringe on Russia's equality. "On the whole Russia recognizes its full responsibility for resolving the Balkan conflict and is willing to make a constructive contribution to this process", Grachev stressed.

Leadership To Decide on NATO Exercise Participation

LD2811145395 Moscow ITAR-TASS in English 1422 GMT 28 Nov 95

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, November 28 (ITAR-TASS) — The Defence Ministry did not confirm reports on possible participation of Russian troops in an exercise (together with NATO) under the code-name Spessart '95.

ITAR-TASS learnt at the Defence Ministry on Tuesday that peace keepers prepared to take part in the large-scale NATO operation on the Balkans, will not participate in this exercise.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

However, the ministry does not preclude a chance that new "Rusbats" [as received] will undergo special training at mixed (multinational) forces before their dispatch to Bosnia and Herzegovina in order to streamline cooperation and to preclude dangerous situations which may pop up due to imperfection of control systems during the operation.

It will be remembered that the Spessart '95 exercise under the "Partnership for Peace" programme will start on December 8 and will last a week at a German proving ground (near Hammelburg) where special units of the Bundeswehr improve their combat preparedness.

Apart from German troops, it will involve Polish and Danish forces. They will concert joint actions to force "antagonists" to peace in conditions, resembling reality, which are developing in republics of former Yugoslavia.

According to information available to ITAR-TASS, Russian peace keepers, consisting mostly of paratroopers, underwent preliminary training under a special programme. While training, they used experience of service in the zone of the Georgian-Abkhazian conflict, the Dniester region and South Ossetia.

A considerable part of Russian peace keepers were both at "flash points" in the Commonwealth of Independent States as well as in the former Yugoslavia.

However, the ministry believes that another training exercise cannot be redundant and, if the supreme leadership of the country takes a decision, Russian troops will participate in a joint exercise of multinational forces.

Russia Must Mind 'Other Friends' in Balkans

MM2811101795 Moscow ROSSIYSKAYA GAZETA in Russian 25 Nov 95 p 7

[Interview with Slovenian Foreign Minister Zoran Thaler by Aleksandr Shinkin; place and date not given: "No Strangers Over the Border. Slovenia, With Its Population of Two Million, Considers Itself the Western Outpost of the Entire Slav People" — first paragraph is ROSSIYSKAYA GAZETA introduction]

[FBIS Translated Text] A peaceful and pragmatic policy is helping Slovenia to secure success, its Foreign Minister Zoran Thaler thinks. Late last week he visited Moscow, where he had talks with Russian Foreign Minister Andrey Kozyrev and opened his country's new embassy building. Zoran Thaler gave our newspaper's observer an exclusive interview.

[Shinkin] Minister, Slovenia is such a young state in Europe that most Russians evidently only know that it was part of the former Yugoslavia. Therefore my first question for you is: What is your country like today?

[Thaler] Our modern history, like that of the Russians, certainly began in 1991 although, if you look at its origins, Slovenia is one of the oldest states in Europe.

It is currently a democratic republic, a legal, social state. By announcing that it was a legal state Slovenia pledged that all its acts would be based on the law; and the idea of a social state implies concern for the well-being of its citizens. The supreme organ of legislative power is the State Assembly, comprising 90 deputies. A 40-member State Council was set up as a definite constitutional body. The government is accountable for its actions to the State Assembly. And the president of the republic represents Slovenia and is its supreme commander in chief.

[Shinkin] As far as I am aware, you cannot call Slovenia ethnically homogeneous. Nevertheless it has not been affected by ethnic friction, even though an interethnic war is blazing alongside it. Is that an exception to the rule, or is it down to the authorities' attentive treatment of ethnic minorities?

[Thaler] In our country the Constitution does not give any single ethnic group — apart from the Slovenes, let me point out — the right to self-determination. But it does guarantee ethnic communities the right to freely employ their national emblems, form organizations, develop their economic, cultural, and scientific activity, and have their own mass media and publishing houses. And by law ethnic minorities also have the right to be educated and trained in their native language. The state guarantees them support in their contacts with their main ethnic brethren, i.e. as you would say, with their historical homelands. What is more, the largest ethnic communities — the Italians and Hungarians — have two seats in the State Assembly.

[Shinkin] The problem of citizenship became acute during the breakup of the former USSR. How have you resolved this matter?

[Thaler] Without conflict. The law on citizenship gave all representatives of other nationalities the chance to obtain Slovenian citizenship. As for those who did not avail themselves of it, the law on aliens makes provision for them to obtain permission to stay in the country and, in the event of their finding work, a work permit. Thus ethnic minorities have no cause for resentment. And the absence of internal conflicts enables our state to focus all its efforts on economic recovery.

[Shinkin] In your view, in what way is Slovenia's transition to a market economy special?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Thaler] In Russia, for instance, I know that people are complaining about taxes. Our tax system to a considerable extent squares with the norms of other European countries. Profit tax, for instance, stands at 40 percent. What is more, there are quite a few exceptions of various kinds, particularly for new enterprises, with customs-free zones and sectors where we are trying to attract investment.

These government moves to galvanize economic activity are bearing fruit. Production is rising by 5-6 percent per year. In 1991 we introduced a national currency — the tolar. Inflation then stood at 240 percent. This year we predict that it will be around 8 percent. Four years ago the currency reserves were empty, but today they already contain $3 billion.

So our transition to a market economy is not causing anger and fear among the people. On the contrary, people believe in the future; they believe that life will be better tomorrow than it is today. Although we are facing plenty of difficulties. The unemployment problem has not been resolved. There are also many acute issues in the sphere of citizens' social protection.

[Shinkin] Has Slovenia's new statehood, within the borders defined after World War II, affected relations with neighboring countries?

[Thaler] Our national anthem contains the following words: "Yes, there will be no evil; the world has been desecrated by enmity. There are no strangers over the border, but friends and dear comrades." I think that these words reflect the essential nature of our relations with our neighbors — Italy, Austria, Hungary, and Croatia. They are important economic partners of ours. This year commodity turnover with Italy will stand at around $3 billion. The picture as regards Austria and Croatia is similar. We have created a free trade zone with Hungary.

[Shinkin] Minister, what do you think about relations between Slovenia and Russia?

[Thaler] Journalists sometimes put this question to me another way: Are there any conflicts between Slovenia and Russia? I reflect, I analyze things, and I fail to find any. Our bilateral relations are developing very well. Commodity turnover between our countries this year should reach $600 million. Right now we are supplying Russia with medicine, construction materials, household gadgets, and furniture. And more capital-intensive projects are also being studied.

To this end a sizable legal base has been developed. An agreement on the avoidance of dual taxation has been signed and is awaiting ratification. During my current visit to Moscow a cultural cooperation agreement was also signed. Documents on investment protection, cooperation between chambers of commerce, and many others are about to come on line. We hope that some of them will be signed during our President Milan Kucan's visit to Russia scheduled for the first half of next year.

[Shinkin] What is your opinion of Russia's role in settling the Bosnia conflict?

[Thaler] It is hard to overestimate the efforts made by a country like Russia. But the Russian initiatives that are most popular with Slovenia are those which take into consideration the interests of all sides embroiled in the country rather than those of one side — the Serbs — alone. In my view, Russia would stand to gain considerably from a more balanced policy.

The Slovenes are Slavs who, incidentally, form the Western outpost of the whole Slav people. And, needless to say, they are amazed that Russia concentrates all its attention on Serbia. Perhaps we need to do something to make your State Duma and mass media realize that Russia has other friends in the Balkans too.

[Shinkin] What does the minister think about NATO expansion?

[Thaler] Slovenia views NATO not only as a military bloc but also as a purely civil organization which promotes the development and establishment of democracy. The fact that authoritarian regimes collapsed in Spain, Portugal, and Greece is to the bloc's credit.

Needless to say, I realize that for the Russians NATO expansion is not only a political but also a psychological problem. After all, NATO was seen as the enemy for 45 years. And that is hard to change right away. But the reality is that Russia will nonetheless enter into an alliance with NATO. In 10-20 years it will have to pay careful attention to the East — China, the Muslim countries — and seek allies in the West. It must gear itself to the future, go forward, and not bury itself in the past.

Further on Grachev's Meeting With Ukrainian Counterpart

MK2811140495 Moscow KRASNAYA ZVEZDA in Russian 25 Nov 95 p 1

[Report by Aleksandr Pelts: "Russian-Ukrainian Cooperation at the Defense Ministers' Level Turns Out Well, It Seems"]

[FBIS Translated Text] As KRASNAYA ZVEZDA has already reported, on 23 November, Russian Defense Minister Army General Pavel Grachev arrived in Sochi, where he had a working meeting with Ukrainian Defense Minister Valeriy Shmarov. Upon arriving, Army

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

General Pavel Grachev briefed journalists on his meeting with Boris Yeltsin, Russian Federation president and supreme commander of Russia's Armed Forces, held the day before. The journalists were informed that in the course of the meeting with the president, the items of the report that the Russian defense minister will deliver before the NATO Council in Brussels on 28 November were discussed in detail. Pavel Grachev noted that the report had been approved by the president.

The second point discussed at the meeting with the Russian Federation president were the forthcoming talks with the Ukrainian defense minister and the work of delegations from the Russian and Ukrainian military departments, which is termed here an expanded collegium session of the two defense ministries. As was reported earlier, 13 items were placed on the session's agenda. Some of them had already been elaborated earlier by working groups and experts, and five accords had been prepared right from the start. In the course of the talks, the number of documents ready to be signed is supposed to reach 15.

The problems of dividing the Black Sea Fleet, Army General Pavel Grachev stressed, will not be brought forward at the current meeting. This problem is being discussed at a higher — interstate — level. However, in the course of the negotiations, the possibility will be discussed of approving a schedule for transferring to Ukraine military units and facilities being released from the Black Sea Fleet.

The third point discussed by the defense minister with the president prior to departing for Sochi was the state of things in the Armed Forces. Pavel Grachev noted that he had submitted to the president a package of proposals to be discussed at the Security Council session, already due in mid-December. Also, a plan for the organizational development of the Russian Armed Forces for 1996-2000 was outlined.

The situation in Chechnya was discussed with the president at great length — in particular, the possible form of action by federal forces, the army included, owing to the aggravation of the situation. The defense minister pointed out that he had approached the supreme commander with relevant proposals. The situation at the Tajik-Afghan border and the role of peacekeeping units, which operate jointly with the border guards, in preventing militants' units from penetrating the territory of Tajikistan, were also discussed with the president.

Now, on the Sochi meeting directly. When opening the "expanded" collegium session of the defense ministries of both states" on 24 November, Army General Grachev underscored that the meeting — he hoped very much — would make it possible to add new, noteworthy pages to the history of relations between the two fraternal nations, whose spiritual affinity and mutual respect for one another have stood the test of time. Whatever political whirlwinds shall sweep over the globe, whatever certain figures shall attempt to preach, the truth, the Russian defense minister stated, is this: Both our great nations are linked by ages-long ties of friendship and fraternity. Asserted for many centuries, these values were born in battles wherein Russians and Ukrainians, side by side with other nations, fought for the freedom and independence of their Fatherland. Today relations between Russia and Ukraine are a kind of barometer, with which other countries check their course in many respects. We are obliged to do everything possible so that the needles of this barometer will always point to "clear," Pavel Grachev emphasized.

It should be acknowledged, however, Army General Grachev went on to say, that relations between Russia and Ukraine in the military sphere have lost something of their dynamic character of late; they do not reflect the existing realities, and are in need of activation. He stressed in particular that a mutual need currently exists to develop relations in the military sphere as good neighbors, with due regard for the new geopolitical and geostrategic situation and the national interests of both states.

The main aim of the meeting is to outline major directions in the area of military cooperation for 1996 and to find solutions to the most complex issues, which undoubtedly affect relations between the two states in general.

It should be emphasized, the defense minister said, that a task of paramount importance at this meeting is to establish truly personal contacts between representatives of our military departments, to attain mutual understanding.

"We are fully aware of the fact that Russia and Ukraine will have to live side by side, jointly resolving numerous problems of the mutual security and defense of our states," Army General Pavel Grachev said. "There is no need to explain to the audience present that trends in the policies pursued by Ukraine and Russia, including their military policies, will to a great extent determine the military-political climate on the European continent."

Already the start of the meeting revealed the good, businesslike disposition of both delegations. Pavel Grachev, in turn, asserted that the Russian side intends to show a balanced, objective, and unbiased approach when considering acute problems, and to find mutually acceptable solutions.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In the course of their work, the two delegations will have to consider a block of issues concerning the main trends in military and military-technical cooperation and to exchange views on the fulfillment of a number of international agreements, including those on coordination with Ukraine on the issue of flank restrictions, possible joint operations to settle the Bosnian crisis, and other issues.

Altogether, more than 10 significant issues were on the agenda of the meeting. Among them was the problem of the maintenance and financial support of facilities pertaining to the missile attack warning system located on Ukrainian territory, as well as the issue of Russia's purchasing armaments, military equipment, and strategic missile systems from Ukraine. One of the new trends, the Russian Federation defense minister stressed, is cooperation between the Russian and Ukrainian Defense Ministries in the military space area and the procedure for the purchase of strategic bombers by Russia and Ukraine...

Following the statement by Pavel Grachev, Ukrainian Defense Minister Valeriy Shmarov stressed that the current meeting may really prove to be a new impetus to relations between the two military departments of Russia and Ukraine. He also pointed out the atmosphere of friendship and mutual understanding that had set in on the very first day of the work.

In compliance with the schedule, working groups headed by the chiefs of the main and central directorates of the Russian and Ukrainian Defense Ministries will meet in Sochi on 24 November. .

Totsk Garrison Destroys 39 Helicopters Under CFE

LD2711202995 Moscow INTERFAX in English 1613 GMT 27 Nov 95

[FBIS Transcribed Text] SAMARA, Nov 27 (INTERFAX-EURASIA) — A mission of the Italian center for implementing the CFE Treaty has accomplished on-site inspection of the destruction of 39 Mi-24 combat helicopters in the Totsk garrison, the press service of the Privolzhye military district told INTERFAX Monday.

The head of the inspection group, Lt. Col. Antonio Belvedero, and the head of the Privolzhye CFE implementation task force, Col. Vyacheslav Shornikov, signed a joint report on the accomplishment of the second phase of the CFE treaty.

U.S. Diplomat's Article Draws Moscow's Ire

MK2811140395 Moscow NEZAVISIMAYA GAZETA in Russian 28 Nov 95 p 1

[Report by Dmitriy Gornostayev: "Personal Opinion Perceived as Official. A U.S. Diplomat's Article in NEZAVISIMAYA GAZETA Has Caused a Negative Reaction in the Russian Foreign Ministry"]

[FBIS Translated Text] An article by Thomas Graham, first secretary of the U.S. Embassy in the Russian Federation, entitled "The New Russian Regime," published in NEZAVISIMAYA GAZETA on 23 November, produced a reaction from the Russian authorities on the following day. On Friday, at the Russian Foreign Ministry's insistence, William Burns, the political counselor of the U.S. Embassy, went to the ministry to discuss the article. According to NEZAVISIMAYA GAZETA's sources, he said that the author of the article had acted in his capacity as a private person, and that his opinion does not correspond to the points of view either of the Embassy or of the United States Government. This, incidentally, was also indicated in a footnote to Thomas Graham's article. Even so, some of the author's comments concerning the internal political situation in Russia apparently seemed inappropriate to some.

Thomas Pickering, U.S. ambassador to Moscow, who gave an interview to THE NEW YORK TIMES in this regard, essentially repeated what his officer had said at Smolenskaya Square. Furthermore, Pickering said that the article had been coordinated with him and the U.S. State Department.

THE NEW YORK TIMES noted that in spite of the editorial footnote, the article can also be read "as a thinly veiled warning by the United States that regardless of the (U.S. — D.G.) administration's support for President Yeltsin, Washington has no illusions as to how Russia is in fact being governed."

Presumably the Russian ministry was most offended by the status of the accredited diplomat. A source at Smolenskaya Square told THE NEW YORK TIMES that "we did not express our opinions over what was written in Washington either on the Whitewater scandal or on anything else." Pickering observed, however, that "in a free society personal opinions should be separated from official ones."

As for Graham, he considers it important that "Russians have an idea of what those working in the U.S. Embassy think about the current developments in their country. Not everything that is said at top state levels is what government analysts actually think about every day." According to THE NEW YORK TIMES, "Graham's views on Russian politics, which are normally reflected

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

in confidential messages to Washington, help formulate U.S. policy toward Russia."

Of course, a feeling of resentment by one state with respect to a citizen of another — or contrariwise — is quite legitimate, but not more than this. And therefore, to suspect the United States of interfering in Russia's internal affairs in this case would apparently be wrong.

Especially considering that a little earlier the Russian Foreign Ministry itself spoke officially about the need for diplomats expressing their opinion on a particular question to identify themselves. This, however, referred to Russian diplomats. But it would be perfectly logical to extend this requirement to foreign diplomats as well.

U.S. State Department Expresses Regret

LD2811072795 Moscow ITAR-TASS in English 0713 GMT 28 Nov 95

[By Vladimir Kikilo]

[FBIS Transcribed Text] Washington November 28 (ITAR-TASS) — An article by an American diplomat, published by NEZAVISIMAYA GAZETA last week, does not reflect the official attitude of the U.S. Administration, the U.S. State Department announced on Monday. Its official representative expressed regret over the fact that the article by First Secretary of the U.S. Embassy Thomas Graham "created problems."

The Russian Foreign Ministry made a protest to the U.S. Embassy in Moscow on November 24 over the article in NEZAVISIMAYA GAZETA, which deals with Russia's domestic problems, and demanded official public explanations. The article said that clans, hostile to each other, were ruling Russia, and that their main occupation was not the consolidation of democracy, but the struggle against each other for economic and political power.

"We have received an official protest of the Russian Government," the representative of the State Department reaffirmed, stressing at the same time that Russia has made significant progress in implementing democratic reforms and creating a market-based economy.

Zhirinovskiy Describes Visit to China as 'Successful'

LD2711173495 Moscow ITAR-TASS World Service in Russian 1412 GMT 27 Nov 95

[By ITAR-TASS correspondents Grigoriy Arslanov and Vyacheslav Tomilin]

[FBIS Translated Text] Beijing, 27 Nov (ITAR-TASS) — A delegation of the Liberal Democratic Party of Russia [LDPR] parliamentary faction today completed its visit to the PRC. It visited the country at the invitation of the directors of the Chinese People's Political Consultative Conference, an agency of the National United Front.

Apart from Beijing, the Russian parliamentarians visited Shanghai, where they saw for themselves the development of China's largest industrial center.

In an interview with an ITAR-TASS correspondent, LDPR leader Vladimir Zhirinovskiy, who led the delegation, described his first visit to the PRC, which "has enabled me to learn about our great neighbor," as "successful."

"Certain forces in the West would like to have an axis of Berlin-Moscow-Tokyo. However, this may be beneficial for the West but it is not so for Russia. We would benefit more from an axis of Berlin-Moscow-Beijing. This would be a stronger union, mainly in the sphere of the economy, culture, and cooperation in international organizations," Vladimir Zhirinovskiy believes.

He said that his parliamentary faction will pursue in the State Duma a policy toward a "return to better times" in relations with China, and the "restoration of all the best things that there were," on condition of non-interference in each other's internal affairs.

Yeltsin Sends Cooperation Message to Mongolian President

LD2811101595 Moscow ITAR-TASS in English 0819 GMT 28 Nov 95

[By Kim Boldokhonov]

[FBIS Transcribed Text] Ulaanbaatar, November 28 (ITAR-TASS) — Russian President Boris Yeltsin has sent a message to Mongolian president Punsalmaagiyn Ochirbat, expressing Russia's adherence to diverse cooperation with the neighboring country — "a traditionally important component of Russia's policy in the Orient."

The message was handed over to the Mongolian president by deputy chairman of the Russian government Oleg Davydov currently in Ulaanbaatar on an official visit.

During his talks with the president the sides touched upon some problems of bilateral relations. The Mongolian president highly appreciated the assistance rendered to Mongolia by donor countries, including Russia. The Mongolian president stressed the importance of the soonest settlement of the problem of Mongolia' debt to Russia on a just and mutually acceptable basis.

Problems which currently exist between the two countries should not lead to regress in the relations between

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

them, the Russian representative said. He pointed out that it was necessary to search for ways of boosting trade between Russia and Mongolia and create a zone of free trade in the foreseeable future.

Chisinau 'Cautious' About 14th Army Peacekeeper Status

MM2811110795 Moscow IZVESTIYA in Russian 25 Nov 95 p 2

[Report by Svetlana Gamova: "Peacekeeping Status Proposed for the Former 14th Army"]

[FBIS Translated Text] Chisinau — A proposal to give the group of Russian troops stationed in the Dniester region the status of peacekeepers was made at a session of the tripartite joint commission monitoring the region of former combat operations on the Dniester. Ground Forces Deputy Commander Aleksandr Sokolov, who heads the Russian state delegation at the talks with Moldova, agreed that this was a possible option. But since the OKK [Joint Control Commission] is not empowered to adopt such decisions, the proposal will be passed on for consideration at a higher level.

The idea is not new. It was heard previously from the mouth of General Lebed, former commander of the 14th Army, and then from Valeri, Yevnevich, commander of the operational task force. The substantiation was quite simple: Since the Army provides the peacekeepers' communications, food, medical services, and other domestic "trifles," and Russia spends millions of rubles on frequently rotating the battalions of "blue helmets," why not radically alter the functions of the Army servicemen themselves? In this case, it was explained to me at the Russian Embassy in Chisinau, one more question which cannot be overcome but also, to all appearances, cannot be resolved by other means would be removed. According to Aleksandr Papkin, Russian ambassador to Moldova, the conditions in which the Russian peacekeepers are living today in Dubossary and other places in the security zone would not suit a single army in the world. The Russian soldiers huddle in barracks without heating or windows. The sides with an interest in settling the Dniester conflict and keeping the peace on the Dniester give no specific assistance here.

Chisinau takes a very cautious attitude to the possibility of changing the status of the Russian troops. Previously such a thing was rejected outright, since young men from the Dniester region served in the former 14th Army. The operational task force is now made up only of Russian citizens permanently resident in Russia.

Russia, Belarus Sign Accord on Security Cooperation

LD2711211295 Moscow ITAR-TASS in English 1839 GMT 27 Nov 95

[By Olga Semyonova]

[FBIS Transcribed Text] MOSCOW, November 27 (ITAR-TASS) — Head of the Russian Federal Security Service (FSB) Mikhail Barsukov and his Belarusian counterpart Vladimir Yegorov signed on Monday a document on cooperation, the FSB press service told ITAR-TASS.

The agreement envisages cooperation in opposing secret services of third countries, providing security of military transportation, as well as tackling terrorism, drugs and weapons trafficking, smuggling, corruption and other crimes within the competence of the two services.

The agreement on cooperation in providing security to Russian military units deployed in Belarus develops earlier bilateral agreements on the joint protection of Belarus' state border and on the status of Russia's military formations stationed in Belarus.

Turkey Curbs Oil Shipping for 'Safe Passage' Reasons

MM2811093695 Moscow IZVESTIYA in Russian 25 Nov 95 p 3

[Report by Gennadiy Charodeyev: "Turkey Hindering Russia in Shipping Oil Through Straits"]

[FBIS Translated Text] In the 16 months of its existence, the so-called Bosporous and Dardanelles zone special shipping regime unilaterally introduced by Turkey has caused Russia economic harm totaling around $1 million. Ankara has ignored all demands from Black Sea basin countries to end its unlawful actions.

The Turkish Maritime Affairs Secretariat is giving only one explanation: The innovations' main aim is to guarantee safe passage for ships through the Black Sea straits, which in no way presupposes the changing of numerous agreements and the abrogation of the Montreal Convention, signed in 1936 even by Mussolini's representatives. This international document established free passage for all countries' commercial ships through the straits as well as a procedure for the passage of Black Sea countries' warships.

The tough new rules have affected civilian tankers mainly. They carry oil, liquid gas, timber materials, and chemical enterprises' products. It is these ships which, in the Turks' opinion, are creating a real threat to coastal cities and above all to 10-million-strong Istanbul, which could suffer economic catastrophe.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In the opinion of Russian experts it is clear even now that the Turkish side's decision to restrict shipping in the straits was not at all determined by concern for people's ecological safety. What has been evident in the last few years is the desire to strengthen its political, economic, and cultural positions in Muslim former USSR republics — Azerbaijan, Kazakhstan, Uzbekistan, Kyrgyzstan, and Turkmenistan. But the main thing is that Ankara is actively pressing its services in the construction of gas and oil pipeline networks, reassuring everybody that the transportation of fuel through Turkish territory to the West is the only viable route.

The shipping restriction will prevent CIS countries from increasing crude oil export volumes in the next few years. The Europeans, in particular, will not be able to take advantage of Central Asian oil. Although, according to many specialists' forecasts, EU countries' dependence on oil exports from this region will sharply increase in the next 25 years.

According to Foreign Ministry data, Russia is the main transporter of oil products through the straits. Unjustified delays to ships entering the Black Sea straits from 1 July 1994 through 30 September 1995 alone have caused our country harm totaling $670,000. Specialists are not including in their estimates lost benefit from lost contracts and penalties for missed deadlines.

Bilateral Cooperation Agreements Signed With S. Africa

LD2711211895 Moscow ITAR-TASS World Service in Russian 1825 GMT 27 Nov 95

[By ITAR-TASS correspondents Oleg Velichko and Yuriy Pichugin]

[FBIS Translated Text] Pretoria, 27 Nov (ITAR-TASS) — Bilateral talks between Russian First Vice Premier Oleg Soskovets, who is in South Africa on a visit, and Thabo Mbeki, South Africa's deputy prime minister [title as received], were concluded today with the signing of Russian-South African documents on cooperation.

Moscow and Pretoria have concluded agreements on military and technical cooperation, and on avoiding dual taxation. They signed a protocol on consular matters and initialled a declaration on the principles of friendly relations and partnership between the two countries.

After the signing ceremony, Oleg Soskovets stated that the talks passed in an atmosphere of full mutual understanding. Particular interest, he said, was paid to developing high technologies and producing goods for export.

In addition to the agreements already attained, the Russian first deputy prime minister said that another 14 draft agreements are being examined, which include housing construction, health care, transport, and power engineering. "All these are vital issues which will contribute to building closer ties between the two countries," he stressed.

In his turn, Thabo Mbeki noted that the agreements which have been signed are only a part of the growing cooperation in which South Africa and Russia are mutually interested. "We are especially pleased," he said, "to hear the Russian delegation's proposal to train a South African cosmonaut for a joint flight to the Mir orbital station, which will make South Africa the first African country to send its citizen in space."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Political Issues

Medvedev: Yeltsin To 'Expand' Work Schedule

LD2811100895 Moscow NTV in Russian 2100 GMT 27 Nov 95

[From the "Segodnya" newscast; passages in quotation marks recorded]

[FBIS Translated Text] In many ways, thanks to the cooperation of his well-organized group of experienced aides, during his forced absence from the Kremlin, the Russian president has not had any serious difficulties in ruling the country or in managing its foreign policy course. Today was an important stage in the return of the head of the Russian state to his traditional working schedule.

On Monday, the president of Russia ended his course of treatment at the Central Clinical Hospital. As is known, he was admitted here a month ago with an aggravated ischaemic cardiac condition. From now on, the high-ranking patient will be under doctors' supervision at the Barvikha sanatorium outside Moscow. That will make it possible for the head of state's working day to be increased a little.

[Sergey Medvedev, presidential press secretary, standing towards camera] "Now, Boris Nikolayevich will evidently expand his work schedule. He will increase it gradually. The doctors told me today that this is their plan, which has been agreed with the president, and they will follow that plan."

[Correspondent] The move to the sanatorium may alter the usual schedule of working meetings by one or two days but the state residence, which was built a quarter of a century ago 25 kilometers west of Moscow, allows the structures which are vital for the country to be managed efficiently.

[Medvedev] "There is absolutely everything at the sanatorium at Barvikha. In the first instance, it has the technical facilities necessary to allow the president to carry out all his constitutional duties. There is every form of communication there. There are enough premises to allow working meetings to be held, and if necessary, conferences, too. I think that the president's work schedule will have all of this."

[Correspondent] To all appearances, it is here that a routine meeting of the Security Council will take place in the middle of December. It is still premature to speak of the president's other plans, in particular, of his likely trip to Paris to attend the ceremony at which the Bosnia agreement will be signed.

[Medvedev] "I think the doctors have the last word. The president will follow their recommendations."

Mrs. Yeltsin: Presidency 'a Heavy Burden'

LD2711181695 Moscow ITAR-TASS World Service in Russian 1705 GMT 27 Nov 95

[By ITAR-TASS correspondent Nikita Yermakova]

[FBIS Translated Text] Paris, 27 Nov — Boris Nikolayevich always makes his own decisions and it is hard to advise him. That was the answer given by Naina Yeltsina, the Russian president's wife, in response to a question about whether she would advise him to stand again as head of the Russian state.

She is in the French capital to take part in the international forum on the rights of the child, and today met a group of Russian correspondents.

In purely personal terms, I would not like him to be president now, Naina Yeltsina said. It is a heavy burden. The French president's wife told me today that she would not have suspected how heavy the presidential burden is before her husband was elected. Many people think that they could occupy this post. I know several of the candidates and I fear for the future. So, I have two attitudes toward the problem. On the one hand, I would like Boris Nikolayevich to be president because he is trustworthy. On the other hand, I would not like him to because I fear for his health. "Let's wait and see," she concluded.

In her opinion the president has done quite a lot in his post, and it is annoying that so much has been forgotten. Russia is having an easier time with the difficulties of the transitional period than the other former Soviet republics. People have forgotten the queues which not so long ago formed outside empty shops. Of course, the situation remains difficult and we have to get through it, but no one is going to conjure up an easy solution, the president's wife remarked.

FSB Confiscates Four Missing Radioactive Containers

LD2711182395 Moscow Mayak Radio Network in Russian 1500 GMT 27 Nov 95

[FBIS Translated Text] Four containers containing capsules of radioactive caesium 137, which disappeared last week in the town of Bakal in the Chelyabinsk District, have been found and confiscated by Federal Security Service [FSB] bodies. The loss of the containers was discovered during stocktaking in the sinter shop of the Bakal ore directorate. The containers were being held by workers from the ore directorate. They had stolen them intending to sell them.

A criminal investigation has been instituted.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Kulikov Denies Chechen Link to Radioactive Container

MM2711140595 Moscow TRUD in Russian 25 Nov 95 p 1

[Roundup prepared by Aleksandr Danilkin, Yuriy Dmitriyev, and Vadim Karpov under the general headline: "Radioactive Park"]

[FBIS Translated Excerpt] On Thursday [23 November] Moscow was rocked by reports that a radioactive container had been found in Izmaylovskiy Park, allegedly planted there by terrorists from Basayev's group. How dangerous is this unwanted acquisition, and is Moscow threatened with a mini-Chernobyl? [passage omitted]

Comment on Izmaylovo Find

Russian Federation Internal Affairs Minister Anatoliy Kulikov:

"The container found in Moscow poses no danger," Army General Anatoliy Kulikov, minister of Russian internal affairs, said yesterday. According to him, it was a "commonplace laboratory container used in calibration workshops." "As for the Dudayevites' statements on this score," the minister pointed out, "they are once again illustrating their true nature." [passage omitted]

Lebed: NATO, China, Islamic World Threaten Security

BR2811094995 Stockholm DAGENS NYHETER in Swedish 26 Nov 95 p A11

[Interview with Russian General Aleksandr Lebed by Michael Winiarski in Novocherkassk; date not given: "Several Threats to Russia's Security" — first paragraph is DAGENS NYHETER introduction]

[FBIS Translated Text] Novocherkassk — Aleksandr Lebed refused to discuss his plans for next year's presidential election. But he answered a number of DAGENS NYHETER's questions in the tour car during a trip between Novocherkassk and Rostov, eagerly puffing on his filtered Camels.

[Winiarski] Why did you join the Congress of Russian Communities?

[Lebed] Because it is a movement that stands above the parties with the aim of strengthening the Russian state. It unites everybody who no longer wants the rest of the world to wipe its feet on us.

[Winiarski] Are there any specific threats to Russia's security?

[Lebed] There are several. First of all Russia has not formulated its national interests. Another is that NATO, like an elephant in a china shop, is expanding toward our borders, and there is no guarantee that the purposes are peaceful. Another danger is the Islamic world. We have — wholly unnecessarily — conducted warfare against it, first in Afghanistan and then in Chechnya. And then China. I respect the Chinese, but they are many and are becoming even more numerous.

There are also internal threats against the state, like crime, mass poverty, refugee waves, and the plundering of the country's resources. At the same time the government is pursuing a capitulation policy vis-a-vis foreign countries.

[Winiarski] What should the Russian Armed Forces look like?

[Lebed] The ideal is a compact, professional army. But there are only two countries in the world, the United States and the United Kingdom, that can afford this today. We must recreate the Army's fighting capability step by step. But it takes a long time. It is not about quantity. Russia has 4.1 million men under arms today. Of these the Army and the Navy have 1.8 million. The other 2.3 million consist of national troops, police, and various security services.

[Winiarski] Is there no bright spot in Russia's development?

[Lebed] Try to go out in Moscow after 11 PM. We have gained the freedom to be raped and robbed. The perestroyka has become a "perestrelka" (exchange of gunfire). Russia is no longer a state, but a territory that satisfies the surrounding world's needs for raw materials, cheap labor, and storage of radioactive waste.

Livshits Denies Rumors of Chubays' Resignation

LD2711172995 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1535 GMT 27 Nov 95

[FBIS Translated Text] "I have no information about the possible resignation of [First Deputy Prime Minister] Anatoliy Chubays," Aleksandr Livshits, Russian presidential aide for economic matters, told Moscow Echo radio station, thereby denying rumors which emerged on 27 November that the Russian deputy prime minister had resigned.

According to Livshits, Anatoliy Chubays is currently involved in drawing up a decision on the currency corridor in conjunction with Central Bank chairman Sergey Dubinin and Russian Economics Minister Yevgeniy Yasin.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Zhirinovskiy Announces Intent To Run For President

LD2711194395 Moscow INTERFAX in English 1843 GMT 27 Nov 95

[FBIS Transcribed Text] VLADIVOSTOK, Nov 27 (INTERFAX-Eurasia) — Leader of the Liberal Democratic Party of Russia Vladimir Zhirinovskiy told a press conference in Vladivostok today that he would run for the Russian presidency in 1996.

Zhirinovskiy said the official decision on this subject would be made by the LDPR's next congress on January 10, after the results of the elections to the State Duma are summed up.

Zhirinovskiy said he believed that about 30-40 people would run for the presidency but, "besides Zhirinovskiy himself, only four of them" would have "real chances" for election: Boris Yeltsin and Viktor Chernomyrdin as representatives of the moderate forces, Grigoriy Yavlinskiy as the candidate from united democrats and Gennadiy Zyuganov as the leftists' candidate.

With regard to the coming Duma elections, Zhirinovskiy said the LDPR would canvass 30 percent of votes while the Communists, the Agrarian Party and democrats would get 20 percent each.

Regarding another candidate to the president, Aleksandr Lebed, Zhirinovskiy said Lebed was a "short-sighted politician" who could be entrusted with "managing a big prison rather than a big country."

Zhirinovskiy came to Vladivostok from Beijing. In Vladivostok he will meet with voters, speak on local radio and television and leave for Kemerovo.

FSB General Discusses Fight Against Economic, Drugs Crime

MM2811102295 Moscow TRUD-7 in Russian 24-30 Nov 95 p 5

[Interview with Lieutenant General Vladimir Tsekhanov, chief of the Federal Security Service Economic Counterintelligence Administration, by Vitaliy Golovachev under the "Difficult Questions" rubric; place and date not given: "'Every Thief Will Go to Jail. It's Just a Question of Time'" — first paragraph is TRUD-7 introduction]

[FBIS Translated Text] Pitched battles are being fought on an invisible front in the economic sphere. The Russian Counterintelligence Administration is carrying out large-scale secret operations and "special measures" to safeguard the state's economic security which really has come under threat. We "ordinary" citizens can see this for ourselves: Corruption is eating away state power, "shadow" capital is permeating the most important spheres of the Russian economy, criminal elements are penetrating state structures, and well-organized Russian and international criminal gangs are striving to take control of the country's economy.... This takes its toll on every family. After all, when robbery takes place, money is taken away from each one of us. Our interviewee knows much about this as it is his work.

[Golovachev] Vladimir Stepanovich, journalists often pose awkward questions. So, answer me this: Why has the Economic Counterintelligence Administration — which is a powerful structure with the means to carry out effective work — proved to be totally impotent in its investigation of one of the most notorious cases — the affair concerning bogus remittance notices? Billions went missing — without trace.

[Tsekhanov] What do you mean without trace? This is completely untrue. Serious work has been carried out on this case together with the Internal Affairs Ministry [MVD] Investigation Committee, and I can report on some of our results today. Bogus remittance notices to a total value of 35 billion rubles [R] were cabled from Dagestan and Chechnya (at that time this was a very large sum equivalent to many tens of millions of dollars). These bogus documents were "cashed" at banks in Obninsk and Sergiyev Posad. Six members of a criminal gang were arrested. Some 44 apartments which had been acquired for money obtained by criminal means were discovered in Moscow. The 44 apartment were seized. I cannot as yet say any more than this, as the current operations are still in progress.

[Golovachev] Are you succeeding in exposing bogus remittance notices at an early stage — before they begin to undermine the country's financial system?

[Tsekhanov] We are actually working on this. In Moscow alone Federal Security Service [FSB] staffers turned up bogus payment documents for around R3 trillion. Such work is being carried out in all regions of the country. If I was to mention all the cases, there would not be enough space on the page....

[Golovachev] From which region have bogus financial documents most often been issued?

[Tsekhanov] Some 323 such attempts were made in the Kabardino-Balkar Republic last year. That works out at more or less one a day. The total sum for which it was intended to send bogus documents was R151 billion. But neither this nor many other sums were "released" into the interbank payment system, because the criminal gangs' activities were stopped in good time.

[Golovachev] How do you manage to do that?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Tsekhanov] That's a professional secret. I can only say that in several cases we have "shepherded" our "charges" more or less from the moment the crime was conceived to the beginning of its implementation.

[Golovachev] Isn't this dangerous?

[Tsekhanov] Our "clients" are not given to joking. To our deep regret there are deaths, but extremely rarely. However, we have the highest grade of professionals working for us.

[Golovachev] Does the counterintelligence administration deal with counterfeiters?

[Tsekhanov] Of course. Especially as large consignments of counterfeit bills (Russian rubles or U.S. dollars) occasionally come here illegally from abroad. In a number of cases they are of extremely high quality as the money is printed in underground factories using expensive modern equipment. Last year, together with the Central Bank, we prevented one of the largest consignments of counterfeit bills — produced by an industrial process in an underground enterprise in Poland — from entering the Russian market. This consignment contained R300 billion! Specialists estimate that the injection of such an enormous sum (for that time) into the economy could have seriously damaged the national financial system. Incidentally, the Polish authorities and special services helped us to carry out this operation.

[Golovachev] It seems to me that international crooks might inflict even greater damage on the country's economic security. How can our market be protected against their incursion?

[Tsekhanov] There are indeed enough people now who want to grow rich at Russia's expense. They are rushing here like wasps to a jam pot. But do you notice that there have not been so many scandals connected with dishonest foreign companies? I think that this is clearly no accident. The FSB "obtains" very detailed information and informs Russian organizations about unreliable partners either before the commencement of negotiations or at the very beginning of them. The counterintelligence administration's actions are designed to limit access to the Russian market of individuals, companies, or organizations which are linked to international mafia structures, do not enjoy trust abroad, or are inclined to undertake crooked operations and various kinds of dishonest actions.

[Golovachev] Might I suppose that the special services use their network of foreign agents in this work?

[Tsekhanov] Not necessarily. Abroad there exist absolutely legitimate companies which have vast computer files containing detailed information on enterprises and important businessmen in all countries of the world. This information is not secret. Anyone who applies for information will for a certain fee be informed about when the enterprise that interests him was set up, what its current financial position is, its reputation and degree of reliability, whether any claims have been made against this enterprise by its partners, what specifically were the claims, were there any court proceedings in connection with them, who won and who lost etc. This information is used all over the civilized world. People here simply do not know where to obtain it....

[Golovachev] What if an enterprise is not on file?

[Tsekhanov] There is a general rule: It is always necessary to collect information from various sources, and to obtain it by various methods. Only in this way will you get the most reliable information. So if there is no information in a file, this means that you simply lose one source.

[Golovachev] Several businessmen with whom I have spoken at various times assured me that all Russian businessmen are under the FSB's "suspicion," and are considered to be potential enemies. What is your personal attitude to Russian businessmen?

[Tsekhanov] These fairy stories (I do not want to put this any stronger) about "potential enemies" and "total surveillance" have appeared in several organs of the mass media. Let them be on the consciences of those who made them up. In reality this is not the case at all. I will say quite unequivocally with full cognizance that the FSB is absolutely convinced that **Russia's recovery is impossible without the civilized Russian entrepreneur flourishing**, who by working for himself acts for the good of the country as a whole. Therefore, honest Russian and foreign businessmen are not our "enemies" but our allies. We assist them by, among other things, warning them about unreliable partners and international mafia structures which are forcing their way into our country. In a number of cases we provide assistance of another kind: We give permission for FSB staffers to be attached directly to major banks or joint-stock companies.

As for the claims that "all businessmen in Russia are under 'suspicion,'" this is complete nonsense. Nonstate structures — if they are not involved in criminal activity — only come under the Counterintelligence Administration's scrutiny if criminal gangs and corrupt officials under our surveillance or other states' special services "make contact" with them.

[Golovachev] Incidentally, nobody in Russia is better equipped than you to answer the question which is on

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

everybody's minds: What is the extent of corruption in the country?

[Tsekhanov] The situation here is fairly alarming. Criminal economic activities continue to be accompanied by widespread corruption. More or less one in every two or three state or municipal officials who are responsible for the issue of this or that permit in the business sphere, are caught in its web. In the period between January and June 1995 alone, more than 1,000 corruption-related cases were being "processed." On average we begin hearing five to six new cases every day. This is twice as many as last year. Bear in mind that we do not deal with "trifles," but only with officials within the organs of power and administration, including those in the law enforcement departments.

[Golovachev] Do high-ranking officials figure in these cases?

[Tsekhanov] For the time being, it is not usual to give out names and positions in our work....

[Golovachev] But at least tell us as much as you can.

[Tsekhanov] Well, ministries, departments, and figures holding high office figure in the cases that we are examining.... But this is all that I can say — the hearings continue....

[Golovachev] But when they end is anyone punished? Excuse me for asking such a naive question, but many people do not believe that it is possible to put an important official in prison.

[Tsekhanov] Hundreds of officials have said farewell to their offices and have been brought to book. Reports in the press usually come straight from the courtroom....

[Golovachev] What makes officials, both high and low, take bribes — low wages, greed, uncertainty about the future, or a desire to provide for themselves in their old age?

[Tsekhanov] All these reasons figure to some degree or another. The temptation is great and many really do not have any confidence in their future. Who will come to power? Will the official remain in his position? You know when an official feels that he is, so to speak, "temporary," he (though not everyone, of course) begins to want to "grab" as much as he can, come what may.... The cases, when I examine them, never cease to amaze me — the unbridled passion for gain is more or less becoming epidemic. In their excitement, some officials do not even ask themselves the simple question, why do they need so much money? That's not to mention all the fiddling that goes on.... For example, not so long ago around 8,000 cut emeralds weighing a total of 2,443 carats and worth $450,000 were confiscated from one Yekaterinburg official. His partner, who supplied him with the stones, is at one and the same time head of a company and a Sverdlovsk Oblast Duma deputy. Precious stones worth more than R1 billion were found on him....

[Golovachev] Is the Counterintelligence Administration interested in those people who go about buying villas and expensive houses in Spain, Cyprus, France, and other countries?

[Tsekhanov] If the money that a person has is not "dirty money" and everything is officially registered, let him buy villas to his heart's content wherever he wants. Such people do exist. But for the most part houses abroad are purchased for dishonestly acquired money. Here everything is registered in false names. Even if the true owner is known, we cannot formally subject him to questioning. Incidentally, our criminal mafia gangs are buying real estate abroad with increasing frequency.

[Golovachev] How many houses do Russians own abroad?

[Tsekhanov] Well, for example, they have more than 200 in France, most of which are in Paris and its suburbs, Nice, and a number of other southern cities. They are widespread.

[Golovachev] If you have no objections, we will devote the concluding section of this conversation to the drugs business. Judging by reports in the press, the influx of contraband drugs into Russia is increasing not by the day but by the hour....

[Tsekhanov] Yes, this is the case. We detain smugglers, couriers, and drugs dealers practically every day.... Drugs are come directly into Russia and also pass through in transit from Brazil, Argentina, India, and the countries of the Near East.... But our biggest headache is Nigeria. Large international drugs structures have been created in Nigeria which see our country as a "virgin market" and want to organize the widespread and sustained sale of drugs in Russia.

They use students, tourists, and people on business to carry this poison. What is more, if there is a large group traveling, each member is given one or two packages — such an amount, they say, is necessary for our own personal consumption which is permitted by our laws.... It is necessary to check all arrivals from Nigeria very carefully. The mafia is developing new sophisticated means of delivering and distributing this poison all the time. The Nigerian source also targets Russia and is very dangerous. We are paying much attention to this source.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Golovachev] Is the Russian Counterintelligence Administration cooperating with foreign special services?

[Tsekhanov] Yes, and with great success. We are cooperating with the U.S. Drugs Enforcement Administration (abbreviated as DEA), and the German, British, Dutch, and French special services.... Our joint operations are proving to be most effective. One of them, which was carried out together with the Russian State Customs Committee, "netted" an unprecedented 2.5 tonnes of narcotics. What happened was as follows. A contraband cargo in two 20-tonne metal containers filled with nuts and food was dispatched from South America to Western Europe. Its final destination was one of the Scandinavian countries. But the drugs mafia had devised a most complicated and circuitous route instead of a direct one. First by sea to Germany, where the containers were redirected to Russia. Then from our country they were to have been sent by road on big trailers to their final destination. The mafia chiefs were working on the basis that checks on cargo would be more thorough on the German-Dutch border than on goods arriving from Russia.

The "cargo" arrived by sea in St. Petersburg and from that moment was constantly and vigilantly observed by us. It was transported to Moscow. Its recipient was the "Goriya" private company, which trades in nuts and foodstuffs. Well then, we waited to see who would come for the container. The "Goriya" director himself and his assistant arrived. They drove the container to a specially prepared lot in the Moscow suburbs for loading onto a trailer....

I will not go into all the details. We succeeded through our joint efforts in exposing criminal drugs rings abroad and figures working for the mafia in Russia, 2.5 tonnes of marijuana were confiscated, and an investigation is in progress.

[Golovachev] Have you a "hot line" linking you, for example, with your American colleagues?

[Tsekhanov] I think that specific details are not so important here, but we do not have any communications problems. We are in contact in our work and have full mutual understanding. For example, we recently received a letter from our American colleagues at the DEA. Thanks to cooperation, a joint operation "Monitored Delivery" enabled us to expose a major mafia gang in the United States and to confiscate a large consignment of heroin. A certain "businessman" was flying from Pakistan to London via Moscow. He stayed 24 hours at a Moscow hotel waiting for his flight to England. He put his suitcases into storage. We knew that they had false bottoms and that heroin was being kept in the secret compartments. But, we did not, of course, touch the Pakistani, otherwise the operation would not have come off. At the same time two black women flew to Moscow from the United States. They took the Pakistani's suitcases and deposited in their place their own, which were identical but empty. Then the Pakistani flew with his new luggage to London, and the black women grabbed the suitcases and returned to the United States. As a result of the operation, our American colleagues arrested a drugs gang of 45 people and confiscated 100 kilograms of heroin worth many millions of dollars. This was the largest operation in the United States in recent years....

I could give you quite a few similar examples of fruitful joint activities.

In conclusion, I would like to present some figures indicating the increase in the scale of economic crime. In the last year and the first nine months of this year alone the FSB, together with other law enforcement agencies, has halted the illegal export from Russia of raw and other materials and valuables worth R1 trillion and of precious metals and precious stones worth $50 million; more than three tonnes of narcotics have been confiscated; and hundreds of icons, pictures, works of art, and treasures which are Russia's national heritage have been returned to museums, state depositories, and the church. In short, the Economic Counterintelligence Administration has had its work cut out....

Military & Nuclear Issues

Yeltsin Signs Law on Amendments to Servicemen's Status

LD2411224395 Moscow ITAR-TASS World Service in Russian 1406 GMT 24 Nov 95

[FBIS Translated Text] Moscow, 24 Nov — The press service of the Russian president reported today that Boris Yeltsin signed the federal law on introducing amendments and additions to Articles 15 and 23 of the Law of the Russian Federation — about the status of servicemen. The law was adopted by the State Duma on 11 October and approved by the Federation Council on 15 November 1995. This was reported by the Russian president's press service.

Production of Weapon-Grade Plutonium To Cease by 2000

LD2711202695 Moscow ITAR-TASS in English 1716 GMT 27 Nov 95

[By Veronika Romanenkova]

[FBIS Transcribed Text] MOSCOW, November 27 (ITAR-TASS) — The Russian Minister of Atomic

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Energy, Viktor Mikhaylov, said on Monday that Russia will halt production of weapon-grade plutonium before the end of the century.

Mikhaylov told ITAR-TASS that "Russia will undoubtedly cease producing weapon-grade plutonium by the year 2000." The last three "military" reactors in Tomsk-7 and Krasnoyarsk-26 are to be converted for peaceful purposes.

During the first stage, the active section of the Tomsk-7 reactor is to be modernised so that it can provide the heating to the city as an ordinary 500 megawatt nuclear power plant. Then, it will replaced by a new light water VVER-640 reactor. The ministry is also considering the construction of a high-temperature, helium reactor "to burn down" weapon-grade plutonium, Mikhaylov said.

As to Krasnoyrsk-26, a 350 megawatt boiling water reactor will be built there by the year 2000. For the time being, similar reactors are used strictly for scientific purposes. However, the Krasnoyarsk one will be safer and more powerful.

Speaking at the opening ceremony of an international exhibition devoted to the state-of-the-art nuclear technologies on Monday, Mikhailov said that these projects designed for the next century will make nuclear power engineering safer and environment-friendly.

Russia has come up with two new types of VVER-640 and modernised VVER-1,000 reactors. The first one is to be put into operation at the Leningrad nuclear power plant within three or four years. The service life of a VVER-640 will be up to 60 years instead of usual 30. Its safety system guarantees rapid cooling in case of emergency. A VVER-1000 will produces nearly half the amount of nuclear wastes compared with an ordinary reactor. Two new VVER-1,000 reactors are to be installed at the Novovoronezhskaya atomic power station between 2003 and 2005.

General Inspector Rejects Chechnya Nuclear Fears

MM2711133595 Moscow PRAVDA-5 in Russian 24 Nov-1 Dec 95 p 12

[Interview with Colonel General Valerian Patrikeyev, general inspector of Russian Federation Main Military Inspectorate, by Ivan Boltovskiy under the "Not at All Secret" rubric; in Moscow, date not given: "Colonel General Valerian Patrikeyev: 'I Do Not Believe That Dudayev Could Have Gotten Anything From Our Nuclear Arsenals'" — first paragraph is PRAVDA-5 introduction]

[FBIS Translated Text] Colonel General Valerian Anisimovich Patrikeyev was born in 1938. He graduated from the M.V. Frunze Academy, the General Staff Academy, and the Higher Courses at the General Staff Academy. During the last decade of his 40-year service in the Army he has commanded the Volga and Transcaucasus Military Districts and from April 1994 through May 1995 the collective peacekeeping forces in Tajikistan. He is now working in the post of general inspector of the Russian Federation Main Military Inspectorate. Following publication of the article "Who Is in the Wings Behind the Caspian Oil Contract" (PRAVDA-5, No. 13), which mentions his name, Valerian Anisimovich came into the editorial office. It was then that our conversation took place.

[Boltovskiy] Valerian Anisimovich, you believe that the mention of your name in an article on the drugs business casts suspicion on your reputation. But nothing more is stated there than the fact that the commander of the collective peacekeeping forces in Tajikistan resigned.

[Patrikeyev] But there was no resignation!

[Boltovskiy] As far as I remember, it was reported on television. I think the report was carried some time in April....

[Patrikeyev] Russian television put out an erroneous report 19 April, but then — 20 and 24 April — it officially apologized for the "blunder" by its journalist Babayan. This was on air. A. Lysenko, general director of the All-Russia State Television and Radio Broadcasting Company, issued a written apology. I must say that the news of my resignation provoked a storm of indignation at the time both among the peacekeeping personnel and among the public.

To make things completely clear, I want to add that a session of the CIS countries' Defense Ministers' Council was held precisely 19 April to discuss promoting me to army general and recommending me for a medal. The CIS Heads of State Council, which met in Minsk at the end of May, also gave a high appraisal of my mission in Tajikistan. It did not have a single complaint to make against me. It was proposed that I remain as commander. But I had already stayed, at the Tajikistan government's request, almost twice as long as my attachment term.

[Boltovskiy] Did the proposal come from Boris Nikolayevich?

[Patrikeyev] Not only Yeltsin but also Presidents Rakhmonov, Karimov, and Lukashenka said a lot of warm words about my service in Tajikistan. Boris Nikolayevich asked Grachev what post he was transferring me to. The minister replied: "To a higher one." And he posted me here....

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Boltovskiy] Maybe someone needed the rumor about your resignation?

[Patrikeyev] Why conjecture? Anything is possible.

[Boltovskiy] Let us return from the past to the present. The arms trade is now one of the Army's sorest points. Officers and even generals are frequently blamed for this. Having had experience of the Transcaucasus and Tajikistan, you will certainly have encountered this evil repeatedly. What is the reason for it?

[Patrikeyev] Journalists frequently fail to see the difference between a transfer of weapons and trade in weapons. Any transfer of weapons is conducted on the government's orders alone, and there can be no other options. Not knowing this procedure, people frequently accuse generals of squandering Army resources.

[Boltovskiy] But illegal trade still goes on, does it not?

[Patrikeyev] Individual crimes do happen. But weapons most frequently reach gunmen by other means. Many of my subunits in the Transcaucasus Military District were manned mostly by boys from the region. Even as many as 90 percent of a company or battalion would consist of local inhabitants! They were frequently made to surrender their weapons under threat of violence against their relatives. In Azerbaijan there was an occasion when an entire battalion went over to the gunmen's side. There were also episodes like the one in Agdam. A vast crowd of women and children is walking along, with a mullah in front and gunmen behind! What is a soldier to do? Would you give the order to fire on women, children, and old people? I could not give that order, and I am not sorry for the fact. But when gunmen attacked a tank regiment in Gori, that was another matter. They received a kick in the teeth and went away empty-handed.

[Boltovskiy] Was it really impossible to bring the military units back up to full strength?

[Patrikeyev] I begged the Ministry of Defense almost on my knees, but all to no avail.

[Boltovskiy] What would you say about the press accusations of trading in weapons against General Reut, who replaced you in the Transcaucasus? Or, say, about Beppayev, of whom it was said that, if you were to give him a good shake, dollars would come raining out of him?

[Patrikeyev] Reut arrived in 1991, soon after the August events. Then he was a major general, now he is a colonel general. He was appointed without consultation with me: It was a case of pot luck. I knew nothing about him, not having met him before. He had served under me for approximately six months and commanded the 7th Guards' Army. At that time I had no information to suggest that Reut was trading in weapons. Beppayev was also appointed over my head. As far as I know, he is now retired.

[Boltovskiy] The long and stubborn resistance by Dudayev's men attests that they were excellently "equipped": over and above what they received as a gift from the Army already on the territory of Chechnya. The Transcaucasus seems to have become a weapons "goldmine" for them.

[Patrikeyev] First, the Transcaucasus Military District has no bearing on Chechnya. The North Caucasus Military District covers Chechnya's territory. The Transcaucasus Military District covered Georgia, Armenia, and Azerbaijan. Second, I will venture once again to express my surprise and indignation at the Soviet Army's transfer of weapons to the jurisdiction, as is now said, of Dudayev. That was beyond the realms of common sense. I repeat that it could not have happened without an appropriate directive from the General Staff and the minister of defense. It is absurd, to say the least, to accuse the generals who served there of spreading weapons to the hot spots.

Some explanation is possible for the fact that weapons were surrendered to Georgia, Armenia, and Azerbaijan. They had become independent. But Chechnya is part of Russia! If we follow the logic, then we should create armies in Chuvashia, in Buryatia.... Absurd!

[Boltovskiy] But Grachev did not create the absurdity. It began in the Herostratean [glory-seeking] days of the first and last president of the USSR. If we had withdrawn the troops and arms from the Transcaucasus in time, there would have been no war there.

[Patrikeyev] If Gorbachev, as president and commander in chief, had set the task of withdrawing the troops, I would have withdrawn them. Prior to 1990 this could have been done without questions being raised. In 1990 it was already too late. We could not have pulled out without a fight. But even then I would still have coped with the task. But after August 1991 something that was hard to imagine was happening in the district. At that time I was starting to command not a district any more but virtually a front. Wild things were being perpetrated. Even my apartment came under fire. My wife has kept the bullets to this day. In that chaos, if I may call it that, we did not know what to do or whose side to take. For eight months the personnel of the Transcaucasus Military District were on no one's side, until Moscow deigned to remember us and to say that we were not Georgian, Azerbaijani, or Armenian but Russian troops!

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The Gorbachev era reached its apogee after August 1991. As soon as the events in Sumgait began, the president should even then not have sat on the fence but acted decisively. I repeatedly told Gorbachev both personally and at CPSU Central Committee plenums that measures had to be taken. But he only patted me on the shoulder and said: Hold on. But what was there to hold on to? It is dreadful that Gorbachev is once again running for the presidency.

[Boltovskiy] That man's stupidity and shamelessness are past comprehension. But whereas they can be put down to hardening of the arteries, no such age "allowance" can apply to the young Gaydar. And Dudayev could not have armed without his sanction, so I understand from what you said.

[Patrikeyev] Of course Chechnya could not have received weapons without a decision from the Gaydar government. With his assistance the flames leaped across to the land of Russia from the former republics of the USSR. In this sense he undoubtedly continued Gorbachev's work of reducing a mighty state to a condition of collapse and bloodshed.

[Boltovskiy] Whenever Dudayev is driven into a corner, he starts threatening to use nuclear weapons. This seems to work. Internal Affairs Minister A. Kulikov warned in a television interview of the possibility that containers with radioactive elements in them could be left in public places. The stoking of hysteria evidently benefits more people than just Dudayev. The nuclear argument is irresistible, if it should suddenly be necessary to cancel the elections to the State Duma. A state of emergency can be introduced "at the request of the working people" — and no problems. As leader of the operation to withdraw missile weapons from the Transcaucasus, do you allow the possibility of Dudayevists' gaining access to the nuclear magazines?

[Patrikeyev] I withdrew missile units and combined units from the Transcaucasus. This was done in observance of the most rigorous demands. I totally exclude the possibility that Dudayev could have gotten anything from our nuclear arsenals.

[Boltovskiy] Let us return to the subject of the drugs business. What is your opinion with regard to the possibility that interethnic conflicts in the outlying districts of the former USSR are largely sponsored by drug dealers? The view does exist that the wars are kindled precisely by these people. They have opened all the gates to caravans bringing hashish from Afghanistan to the West.

[Patrikeyev] This question is outside my competence. The border guards and the special services can answer it. I only know that border guards have frequently detained smugglers trading in drugs.

[Boltovskiy] Valerian Anisimovich, you now inspect the Army, which is spread out before you. What can you say about its combat readiness?

[Patrikeyev] The Army's prestige has fallen as far as it can. The democrats have worked hard to turn it into a kind of monster. Books are on sale in the subway advising people how to evade the draft, as though the Army were some kind of plague! Where is the combat-readiness going to come from when some units are not manned even up to half strength?

[Boltovskiy] But the minister of defense says that the military reform is proceeding okay.

[Patrikeyev] Okay, on an inclined plane, in the direction of disintegration. Officers are getting no pay for two or three months! This is not to mention the disastrous situation in the military-industrial complex, on which the Armed Forces' military-technical strength directly depends. I would not point at the minister of defense. Under the present conditions, whoever was appointed to that post would be unable to change anything radically. The Army is an institution of the state, and what goes on in it depends, above all, on the political leadership.

[Boltovskiy] People get the impression that the Army is in a state of war without visible aggression from outside and is suffering one defeat after another. Take the aerospace complex alone: We do not even know for sure whom it belongs to today — to Russia or to Western investors "rescuing" it from penury and final suffocation.

[Patrikeyev] I cannot say that we should not be on friendly terms with the West. But real friendship exists between people of equal strength. Weak people get kicked in the butt and in the head. If the people want to be respected, they must have a strong state and Army. But today they have neither. An authoritative state is the chief morale factor in a nation. Without it there is neither national pride nor human dignity, and there are no moral standards. It is possible to trade in everything, from the motherland to yourself.

Once long ago I heard the following episode from the Great Patriotic War times being recounted by way of a joke. During one session of talks among the big three heads of state in Tehran Roosevelt allegedly said that he had dreamed the previous night that he had become the head of a world government. Churchill, so it turned out, had dreamed that he had become Roosevelt's deputy. Stalin remained silent for a while, smoking his pipe. Then he said in an undertone that he too had had a dream, in which he had confirmed neither Roosevelt

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

nor Churchill in the posts of which they had dreamed. It does not matter whether this was fact or fiction: The story was given credence because the people were proud of their mighty country. Different anecdotes circulate nowadays in which Russians are called not a great nation but, at best, occupiers.

[Boltovskiy] A criminal morality which cheapens all moral standards and even people's right to life is becoming established. A result of this is the war unleashed by the Kremlin in Chechnya.

[Patrikeyev] I cannot get out of my mind a conversation with Jaba Ioseliani, who in writing a reference for his "career officer" could find nothing better to say than that, like Ioseliani himself, he had served out his time and was therefore a really great guy. This was said to me, a colonel general in the Russian Army, by a member of the Georgian State Council! What a swamp, to put it mildly, we have all been plunged into. Such a displacement of values is characteristic not just of Georgia but also of Russia. The Army is absorbing this atmosphere.

[Boltovskiy] A fish is said to rot from the head end. Does a pessimistic conclusion about the Armed Forces' prospects not suggest itself?

[Patrikeyev] No, do not say that. Many people on the streets are asking indignantly: What are Russian soldiers doing in Tajikistan, why are they sacrificing their lives, why are they not getting out of there? They are not getting out because they are conscious of the great geopolitical significance of that outpost for our country. As soon as we get out, others will at once take over the place that we leave. It is not hard to guess who. The Russian servicemen are discharging their duty in the full knowledge of this. There are quite a lot of such people. I will say more — they make up the backbone of the Army.

[Boltovskiy] I would like to conclude our conversation by asking a different sort of question. As is known, in the last elections a section of the Army cast its votes for Zhirinovskiy, although many people understood the unreal and provocative nature of his promises. It was no coincidence that he had gotten a reputation as a lobbyist for a pro-German grouping. Support for Zhirinovskiy was a kind of expression of protest. How, in your opinion, will the men of the Army behave this time?

[Patrikeyev] Of course Zhirinovskiy is an empty bubble, and he has done nothing for the Army. I am sure that servicemen, like the entire people, will make a considered choice this time. The situation in the country is so critical that voters can no longer be guided by emotions alone. The fate of Russia, of our own fatherland, is being decided.

Federal Assembly

Council Votes Down Bill on Forming Upper House

LD2811115795 Moscow ITAR-TASS World Service in Russian 0956 GMT 28 Nov 95

[By Lyudmila Yermakova, ITAR-TASS parliamentary correspondent]

[FBIS Translated Text] Moscow, 28 Nov (ITAR-TASS) — The Federation Council today turned down the bill "On the Order of Formation of the Federation Council of the Russian Federation," adopted by the State Duma on 17 November. Voting by name resulted in 22 members supporting the bill and 73 opposing it.

Under the Constitution the bill has to be reexamined by the Duma and will be considered as passed if not less than two-thirds of the total number of deputies of the lower house vote for it.

Most likely this will not be difficult: During the voting on 17 November, 263 votes were cast "for," 27 "against," and four MP's abstained.

Shumeyko Leaves Foreign Policy to President

LD2411175995 Moscow INTERFAX in English 1709 GMT 24 Nov 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Nov 24 (INTERFAX) — The Federation Council will not follow the State Duma's suit and criticize Russia's Foreign Ministry and foreign policy in general. "I am pragmatic and I do not do what does not bring results," Federation Council Chairman Vladimir Shumeyko told a press conference at the INTERFAX main office in Moscow Friday.

According to Shumeyko, the upper house of Russia's parliament will act only within its powers defined by the Russian Constitution. "Foreign policy is an exclusive prerogative of the president," he added.

Asked who he would like to see to head the Foreign Ministry, Shumeyko said this issue rested with the president and the government. "It will be whoever they appoint," he added.

Shumeyko: Chechen Rebels Will Not Derail Elections

LD2411225895 Moscow ITAR-TASS in English 1601 GMT 24 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 24 (INTERFAX) — Chairman of the Federation Council (upper

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

house) Vladimir Shumeyko says Chechen separatists will not be able to derail next month's general elections in the republic.

At a meeting with journalists at the main office of INTERFAX news agency on Friday, he expressed the hope that most Chechens would prefer a legitimate government to "the continued war imposed by a small group of professional militants."

Shumeyko said it was right that Doku Zavgayev, the only legitimate leader in the republic, should get involved in the process of a Chechen settlement. To make his case, he said the Chechen parliament's term of office was due to expire on December 30.

He also spoke of how important it was to make use in the regional peace process of the prestige of Ruslan Khasbulatov, who, "regardless of attitudes," would never raise the question of Chechnya's splitting from Russia and more fighting.

Shumeyko firmly rejected separatist leader Dzhokhar Dudayev's possible participation in the republic's political life. "Opinions may vary, but he is a criminal as far as I am concerned," he said.

Shumeyko ruled out the possibility of Russian troops deployed in Chechnya taking part in elections there.

No Appeal to Commission Over Grachev Law Violation

LD2411162195 Moscow INTERFAX in English 1354 GMT 24 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 24 (INTERFAX) — The Russian State Duma has again rejected a proposal to appeal to the Central Electoral Commission against the Defense Minister's violation of Russian law.

The question was raised by member of the Communist faction Anatoliy Lukyanov at a Duma plenary meeting Friday. Some time ago a similar inquiry was initiated by the factions Russia's Choice and Women of Russia.

In the opinion of deputies, the Defense Minister violated the law "On Defense" when meeting top military officials on November 17. On that day Grachev instructed his generals to support the prime minister's electoral bloc Russia Is Our Home and vote against Duma deputies who supported amendments to the law "On Military Duty and Military Service" that cut the required term of military service.

Communists Hold Foreign Policy 'Roundtable'

LD2511124095 Moscow Russian Television Network in Russian 1100 GMT 25 Nov 95

[From the "Novosti" newscast]

[FBIS Translated Text] The Communist parliamentary faction is holding a roundtable today on foreign policy at the State Duma. Its task is to formulate Russia's national and state interests and its basic concepts of foreign policy which would be implemented in the event of a victory of the communists and patriots at the elections. Former Soviet diplomats, international affairs scientists, and intelligence specialists have gathered, as well as politicians.

Gennadiy Zyuganov believes that in the near future Russia needs a period of concentration, similar to the one declared by Chancellor Gorchakov after the Crimean war. Zyuganov warned against three strategic errors.

[Begin Zyuganov recording] We should not allow these well-wishers, who do not want peace on their land, to complicate relations with Ukraine, and are all the time trying to do this by putting pressure on such a sensitive area as the Crimea. We should not allow them to drag us into a war and confrontation with the Islamic world — and they are trying to do this already in Chechnya; and in the Far East there have been statements by Yegor Gaydar that we should move our major weapons there and complicate relations with China. [end recording]

Because of the use of secret information by the Security Council, the roundtable was told to work behind closed doors. [video shows meeting and Zyuganov speaking]

Objections to National-Cultural Autonomy Bill Ignored

MM2811123095 Moscow ROSSIYSKIYE VESTI in Russian 28 Nov 95 p 1

[Unattributed report: "Persistent Legislators"]

[FBIS Translated Text] On 22 November the State Duma adopted at the first reading the draft law "on the national-cultural autonomy." Vyacheslav Mikhaylov, minister for nationalities affairs and regional policy, who presented the draft law on behalf of the Russian Federation Government, noted that the normative act is aimed at preserving the culture and traditions of national communities without dividing them by their borders from other territories.

The viewpoint of the presidential side of this draft law was not considered by the legislators. Yet in connection with the examination of the draft law sent to the Russian

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Federation president, Sergey Filatov announced in a letter to Ivan Rybkin that the draft law is conceptually wrong and has a number of other shortcomings.

Articles 1 and 5 of the draft law, the letter says, define the national-cultural autonomy as a type of public association. In this connection there arises the question of the expediency of adopting such a federal law since the Russian Federation Constitution and the federal law "on public associations" do not contain any obstacles to citizens' union with a view to implementing their interests in the field of "preserving their identity and developing their language, education, and national culture." The majority of questions of the status of public associations were resolved by the federal law "on public associations" and the expediency of including in the draft law questions of the procedure for founding and registering a national-cultural autonomy and questions of its ownership and property gives rise to serious doubts.

Moreover, if a national-cultural autonomy is seen as a form of implementation of the civil right to assembly (as in the draft law) the safeguarding of the right to preserve, develop, and use one's national (native) language is not the subject of this federal law and the chapter of the draft law devoted to it should be excluded as should some other clauses of the draft law which go beyond the framework of the sphere of its regulation.

The leader of the president's staff made a number of other fundamental comments on the draft law and voiced the opinion that further work on the draft law under examination and its adoption are not expedient.

As we can see the Duma disagreed with this viewpoint. And that means that if the law's the present shortcomings are preserved it has little chance of being signed by the president even if it is favorably received as a whole and approved by the Federation Council.

Agrarian Deputies Demand Fixed Price for Bread

MM2811092495 Moscow SELSKAYA ZHIZN in Russian 25 Nov 95 p 1

[Statement by the "Agrarian Party of Russia" faction in the Russian Federation Federal Assembly State Duma: "In Whose Hands is the Price of Bread"]

[FBIS Translated Text] The Agrarian deputies have recently been absolutely swamped with letters, telegrams, telephone calls, and questions from voters on the polemics being conducted in the mass media over the expected dramatic surge in prices, up to 10,000-15,000 rubles [R] for a loaf of bread. Our fellow citizens' concern is entirely understandable. First, this view is being expressed by the highest officials in the country, and, second, millions of Russian people's lives depend on the price of bread.

That is why we, the deputies of the "Agrarian Party of Russia" faction, declare, with the utmost authority, that there are no objective grounds for such rumors and conjectures. In the current year, 28 million tonnes of wheat were harvested. That covers the country's food needs until the next harvest.

However, the state is unwilling to buy this grain and feed Russians on cheap bread. According to figures from the State Committee for Statistics, as of 8 November just over 5 million tonnes of wheat had been purchased. And the peasants were paid R502 per kilogram of that grain.

A simple calculation shows that given the present price of a loaf of bread in Moscow, around R2,500, the proportion of this price that is accounted for by the cost of grain from the new harvest is less than 15 percent, or R330. The figures cited indicate that our country's own food producers are not to blame for the dramatic increase in bread prices.

Today, the price of bread and the dynamics of its growth are exclusively in the hands of the government. We regard its withdrawal from the grain market as collusion with the speculators, a role that is played by banks and commercial organizations. It is in their interests to buy grain from the Russian peasant on the cheap, and then to dictate uncontrolled, monopoly prices for bread.

The authorities have threatened to bring about a real famine in the country. As for the authors of the propaganda campaign, they patently confuse the interests of Russian people with those of commercial organizations. These interests are different.

We categorically reject the antipopular policy of the executive organs of power, and warn that the full responsibility for spiraling bread prices and for the attempt artificially to bring about a famine rests wholly with the Russian Federation Government.

We demand that a fixed price be set for bread until the 1996 harvest.

Duma Committee Chief on Rejected Defense Bill

MM2711171295 Moscow in Russian KRASNAYA ZVEZDA 24 Nov 95 pp 1, 3

[Interview with Anatoliy Novikov, leader of the State Duma Committee for Defense Policy apparatus, by Petr Karapetyan; date and place not given: "Law 'On Defense' Must Correspond to Current Realities. Why the Passage of an Extremely Important Draft Law for

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Russia and the Army Has Been Delayed" — first paragraph is KRASNAYA ZVEZDA introduction]

[FBIS Translated Text] As is well known, the Federation Council recently rejected the federal law "On Defense" that had been adopted by the State Duma. Our correspondent met with Anatoliy Novikov, leader of the State Duma Committee for Defense Policy apparatus and the coordinating group on the preparation of the Law "On Defense," and asked him to reply to a number of questions connected with this situation.

[Karapetyan] Anatoliy Davydovich, how do you explain the fact that the Law "On Defense," which was prepared so thoroughly by the committee, adopted by the State Duma by an overwhelming number of votes, and approved by the Ministry of Defense and the General Staff, was suddenly rejected by the Federation Council?

[Novikov] Before replying, I would like to speak about a number of factors connected with the federal Law "On Defense." Let us start from the fact that it is a rare politician today who does not speak of the need to reform the Armed Forces, but at the same time there are few who consider it simply incorrect to insist on reforming just the Armed Forces. Numerically they do not exceed even 50 percent of the total number of Russia's servicemen. Therefore, I suggest, we should speak about military reform, meaning the entire — I stress, the entire — military organization of the Russian Federation. The Law "On Defense" adopted by the State Duma does indeed provide for a consistent and, if one can use the term, voluminous reform program.

It is impossible to talk about the size of the Army and the criteria for its combat capability in isolation from specific tasks. Those "reformers" for whom everything boils down to a quantitative reduction in the Armed Forces ostentatiously ignore this principle, working not with the data of scientific argument, but with trenchant soundbites aimed at "Joe Public."

What is the point, for example, in claiming that Russia needs a professional army? Who disputes this? It needs one, but what does it have today — an "amateur" army? Surely the Army's officers, warrant officers, and civilian personnel are professionals? What are they, if not the backbone of the Armed Forces? Yes, and there are also the basic service servicemen — this is the implementation of the Constitution and the laws on defense, military duty and military service. If you say that we should man the Army entirely with professionals, that means that we must also change the Constitution in the part describing service in the Army as a duty and obligation, that a new package of military laws should be adopted. As for the size of the Army, this comes under the jurisdiction of the Defense Ministry and the General Staff — it is covered by presidential powers, after all. The size of the Army should be determined not by guesswork but in exact correspondence to the state's needs. For this, let me recall, we have Russian military science, with its achievements, acclaimed methodology, and research methods, and the organs of military command and control with their specialists trained to determine the composition and structure of the Armed Forces on the basis of military doctrine and a scientific approach to forecasting possible armed conflicts. But for some reason, in our country people listen to demagogues and opportunist rather than to experts.

[Karapetyan] Nevertheless, why did the Federation Council reject the Law "On Defense"

[Novikov] I represent the Duma apparatus, that is to say, its purely professional subdepartment. Our main principle is that proposals elaborated by the apparatus cannot be linked to political bias or bear a political hue. Therefore I will permit myself only a professional comment on the arguments with which the Federation Council Committee for Security Questions and Defense justified its rejection of the law.

Colleagues from the Federation Council are concerned, for example, by the fact that it contains no concept of the "protection [zashchita] of the country" per se, and that the law focuses only on preparing the country to protect itself. Yes, but this is the concept that was introduced by the subjects of the legislative initiative. This is the president's concept — preparation for protection. But, on the other hand, it should be borne in mind that there is no precedent in world practice for laws regulating some subject to extend to both peace and wartime. Because they are "unwieldy," labor-intensive to elaborate, and virtually inapplicable in wartime. Another factor: Strictly speaking, "protection" [zashchita] implies military operations: defense [oborona], attack, counterattack, and other operations. These forms of military operations, you will agree, cannot be carried out under laws adopted by the Federal Assembly. For this there are plans elaborated by various staffs on the basis of decisions adopted by military chiefs.

The Federation Council considers that the law does not cover tasks involving the preservation of the country's integrity. I am prepared to dispute that claim. The law deals with the protection of the Russian Federation, that is to say the Fatherland, the country. Look up "country" in any dictionary, and there is territory within its borders. Along with its mineral wealth and population. Consequently, defense [oborona] in the given instance is indeed the protection of the country.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Karapetyan] Anatoliy Danilovich, according to the provisions of the law, for the purpose of defense the Russian Federation Armed Forces are set up and other troops and military formations are pressed into service. And these forces as a whole are called Russian Federation troops. However, the Constitution "prescribes" only Armed Forces. And this argument also figures in the Federation Council Defense Committee's conclusion.

[Novikov] That is a fair observation, but it does not mean that the law contravenes the Constitution. Yes, other troops and military formations are not "prescribed" in the Constitution, but they exist and siphon off the state's potential, people, finances and industry to maintain them; they possess significant combat capabilities and can be used for the protection [zashchita] of the state. At the same time, they are independent federal structures, subordinate neither to the minister of defense, nor to the chief of the General Staff, and fall outside the system of defense defined by the law. This is why, taking as our yardstick the purpose of the regulation, we, the authors of the law, deemed that we should extend the powers of the Defense Ministry and the General Staff to the other troops and military formations in the sphere of weapons coordination and development and their involvement in preparation for mobilization, operational training, and planning for the possible use of the Armed Forces with the involvement of the aforementioned troops and military formations. I should note that the Law "On Defense" specially stipulates that other troops and their command and control and leadership operate on the basis of the laws and edicts under which they were set up and exist. Incidentally, in all states around the world, "armed forces" is an umbrella concept, including all military structures and forces participating in the defense of the country.

The Federation Council proposes that a provision be added to the law according to which other troops are not only involved in defense but in wartime become part of the Armed Forces....

[Karapetyan] A good idea.

[Novikov] Yes, I agree, but it contravenes the Constitution. Because they are not "prescribed" in the Constitution — there are other statutory acts, let me repeat, under which they exist. That means that the Law "On Defense" should either repeal or suspend these acts. But it is necessary to differentiate between the legislative acts of peace and wartime. Because in wartime legislative acts the important thing is that such acts should be short and few in number, so that they can be very easily implemented by a centralized command and control. And the Federation Council's proposals on other troops should be "prescribed" in the Law "On War Status." However, there is no need for this since all troops, including the Russian Federation Armed Forces, are used in accordance with the plan for the use of troops, which is the same for all, and which defines all questions of the command and control of troops.

[Karapetyan] What about the Federation Council's arguments that the law does not define the procedure for the use of nuclear weapons or that it exceeds the Federation Council's powers pertaining to the adoption of a decision to use the Armed Forces for other than their appointed purpose?

[Novikov] The procedure for elaborating a decision on the use of nuclear weapons is not subject to regulation by the Law "On Defense." This question should be regulated by internal statutory legal acts connected with the command and control of operations by the Russian Federation Armed Forces.

As for the second comment.... It is fair, but the Duma did this deliberately. We recall how in the USSR, and now, in connection with Chechnya, the Armed Forces were condemned for actions carried out on the orders of the country's leadership. The life of the Army is far more complex than the framework of laws which regulates them. If there is no other force except the Army to interpose between warring factions of the Russian population, what can be done? This is an extreme measure, and to endow the president alone with the responsibility for adopting such a decision would be wrong. The legislative organ of state power should share this responsibility with the president. This is why we expanded the constitutional norm, and this does not contravene the Constitution. State Duma deputies realized this, and adopted this formulation of the question. This could be a subject of discussion for the Conciliation Commission, but the remaining arguments seem to us to be insubstantial.

Regional Affairs

Chechnya Reportage: Election and Military Issues

Zavgayev Registers for Elections

AU2811095995 Paris AFP in English 0921 GMT 28 Nov 95

[FBIS Transcribed Text] Groznyy, Russia, Nov 28 (AFP) — Doku Zavgayev, Moscow's interim leader in Chechnya, became the first candidate Tuesday [28 November] to officially register for the Caucasus republic's leadership elections in December.

Zavgayev handed in 11,000 signatures to support his registration, more than double the necessary 5,000,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

said Yakub Sabirov, vice president of the electoral commission.

Elections will be held on December 17 simultaneously to the war-torn republic's Moscow-backed leadership post and to the Russian lower house of parliament, along with the rest of Russia.

The election plans have been rejected by separatist rebels, who claim Chechnya is independent from Russia and have been battling the Russian army since December last year.

Zavgayev, who was appointed head of the temporary Moscow-installed local government a month ago, has suggested that separatist president Dzhokhar Dudayev, who was elected in 1991, could participate in the poll.

The other main contender, although he has yet to officially register, is former Russian parliament speaker Ruslan Khasbulatov, best known for leading an armed insurrection against President Boris Yeltsin in Moscow in 1993.

Presidential Poll Expected To Be Valid

MM2811122095 Moscow ROSSIYSKAYA GAZETA in Russian 28 Nov 95 p 7

["Own Information" report: "Stop-Press: Meanwhile Chechnya Prepares for Elections. In Earnest"]

[FBIS Translated Text] The election "sprint" effectively began in Groznyy on Monday [27 November] (it is less than three weeks until the 17 December elections). A press conference was given by representatives of sociopolitical groups. The day before I had visited the Central Electoral Commission. According to Yakub Sabirov, deputy chairman of the republic's Central Electoral Commission, no presidential contender had been officially registered by Monday, although representatives of three movements had undergone registration. The only one to have submitted electoral lists was Doku Zavgayev.

There is nothing surprising in that since, judging by the opinion of many observers, it had not hitherto been certain that the election would take place at all and, if it did, on what date.

There are plenty of grounds for uncertainty. But the main one is the multiplicity of people wanting to be the republic's legitimately elected head.

Nevertheless Yakub Sabirov is confident that the election should go ahead, but the main thing is that it should be held strictly in accordance with the law. Otherwise it is meaningless. This has already happened once....

There are plenty of questions for the Central Electoral Commission: Is it possible to ensure normal elections in Vedeno, Shatoy, and Bamut, for instance? And one what conditions will servicemen take part in them?

Sabirov told me that he has already been visited by representatives of the "tricky" rayons. They all assured him that they are prepared to ensure legitimate elections. Thus, they may go ahead in 20 out of the republic's 22 rayons. Right now there are no rayon administrations in the two remaining rayons.

By law the election will be deemed legitimate today if 25 percent of the republic's voters turn out. There were 662,000 of them originally. But many people have left their homes. According to some estimates, there are around 500,000 voters left. Many of them may also have left their homes before mid-December.

But it is estimated that one-fourth of voters will nonetheless take part in the election. Around 50-56 percent of voters are left in Groznyy alone. And that is no fewer than 100,000 people.... The Central Electoral Commission is due to register Doku Zavgayev as an official presidential candidate Tuesday [28 November]. He has already submitted 11,000 signatures instead of the 7,000 required. There was no doubt as to their authenticity.

Zavgayev Looks Forward to Peace

MM2711151895 Moscow KRASNAYA ZVEZDA in Russian 25 Nov 95 p 2

[Report by Vladimir Berezko: "Right Now There Is War in Chechnya. But Peace Is Quite Feasible"]

[FBIS Translated Excerpt] [passage omitted] During an exclusive interview specially for KRASNAYA ZVEZDA Doku Zavgayev noted that no act of terrorism in the republic would go unpunished. He touched on the crime situation in Chechnya, saying that the root of the evil here was the universal unemployment and even citing the results of scientific research: A 1-percent increase in unemployment promotes a 7-percent increase in crime. Doku Zavgayev explained that in Chechnya there was no ethnic confrontation but "a clash of ambitions among groups of people" Dudayev's rule had spelled national tragedy for the Chechens, and today Dudayev was backed by minute groupings which were not glad to be connected with him. In Groznyy itself, Zavgayev said, there are around 150,000 Russians and just as many people of other nationalities. Of late over 100,000 people — mainly Russians — have returned to the city. According to Doku Zavgayev, peace in Chechnya is now likely. [passage omitted]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Troops Discover Groznyy Arms Cache

LD2811070195 Moscow ITAR-TASS in English 0628 GMT 28 Nov 95

[FBIS Transcribed Text] Moscow November 28 (ITAR-TASS) — Units of the federal army group in Chechnya eliminated in Groznyy an arms cache of Dudayev gunmen, a representative of the press centre of the federal command in Groznyy told TASS by telephone today. The arms cache was located close to the centre of the city, near the Mendeleyev Street. 100 grenades for grenade launchers, 24 hand grenades, some 1,300 cartridges of various calibres and other munitions were found in the mined shelter.

An act of terrorism was staged by Dudayev men in the city of Gudermes. Two bridges connecting the city with the villages of Kadi-Yurt and Azatat-Yurt were blown up there on Monday night.

The gunmen brought under fire areas of deployment and check points of federal troops a total of 28 times during the past 24 hours, including 23 times — in Groznyy. Two servicemen were wounded. No one was killed.

'Russians' Recruited Chechnya 'Volunteers'

MM2711111695 Moscow IZVESTIYA in Russian 25 Nov 95 p 2

[Article from unnamed source: "How War Began in Chechnya: Country Should Know Its 'Heroes'" — first paragraph is IZVESTIYA introduction]

[FBIS Translated Text] We cannot name the source which passed on this item to us and we cannot explain how it found its way to the editorial office. Nonetheless we are publishing it since we have every grounds for considering that what is says is authentic. We hope that having read this article you will agree that we should not name its author for the time being.

The emergence of trouble spots on our Motherland's map has long worried the country's leadership. In this connection the Federal Counterintelligence Service [FSK] directorate for combating terrorism has created a special section which engages in the study of these trouble spots like Chechnya and keeps track of everything happening there and reports it to on high. The section was led by Colonel (now General) A.I. Khromchenkov. Apart from that section, in 1994 Major General Ye. Savostyanov, deputy director of the Russian Federation FSK and chief of the FSK directorate for Moscow and Moscow Oblast, was concerned with Chechnya.

The operation to "remove" Dudayev and his entourage and replace them with a pro-Moscow anti-Dudayev opposition was prepared long ago. This was stated many times at conferences of FSK Director Stepashin and his deputies and directorate leaders but no specific plans were elaborated. They reported regularly on the situation in Chechnya to the country's leadership — Khromchenkov reported on this issue several times to Kotenkov, deputy minister for nationalities affairs and regional policy, and once even went with Kotenkov to deliver a report to Filatov.

Meanwhile representatives of the Chechen opposition themselves tried to recruit mercenaries for military units on Russian territory but nothing came of it.

In October-November 1994 the opposition leaders Umar Avturkhanov and Beslan Gantemirov became frequent visitors to Moscow. They traveled there for meetings with Chernomyrdin, that is they began to prepare for the operation at government level.

In October at a routine conference of the FSK ruling clique Savostyanov said that their comrades had to be helped. No one argued with him. Savostyanov telephoned Lieutenant General A.P. Samenov, chief of the directorate for combating terrorism, and ordered aid "for our comrades," that is for Avturkhanov's representatives working in the FSK for the Chechen Republic. It was necessary to recruit specialists for them from among the servicemen (both those released into the reserve and those on compulsory military service) who would be able to service the armored vehicles and use them for their intended purpose.

In turn Semenov telephoned G.V. Karpov, chief of the military counterintelligence directorate, and asked for help in recruiting appropriate cadres. Karpov summoned Lieutenant Colonel S.N. Kolesnikov, deputy chief of the military counterintelligence section of the second motorized rifle guards Taman division and the chiefs of similar sections — Colonel Babakov, of the fourth guards armored Kantemir division, Colonel V.N. Mankevich of the "Vystrel" higher officers' courses, and Lieutenant Colonel Dubinu of the 18th separate motorized rifle brigade. The section leaders received a directive and in late October 1994 some 13 operatives from the Chechnya FSK flew to Moscow. The group was led by Yunus Tagirov and the names of three other operatives are known — Khamid Elmurzayev, Ilyas Khatuliyev, and Shamsutdin Khubiyev.

From 3 through 9 November the group toured the military units of the Solnechnogorsk and Naro-Fominsk garrisons and met conspiratorially there with volunteers who had been identified in advance by the "counterintelligence" chiefs and concluded contracts with them "to service armored vehicles and take part in fighting." The contract was drawn up in one copy and backed up by a seal with a two-headed eagle. For signing the contract the volunteer immediately, on the spot, received 1

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

million rubles [R]. The preparation of armored vehicles for battle was worth R3 million under the contract, R25 million were promised for a slight wound, R50 million for the treatment of a moderate wound, and R75 million for a serious wound. In the event of death they promised to pay relations R150 million.

The contracts, according to the "volunteers," were concluded with them by citizens of European appearance who introduced themselves as FSK staffers — one person dealt with "Aleksandr Ivanovich," another with "Anatoliy Aleksandrovich," yet another simply with "Ogorodnikov." The recruiters then left for Mozdok with the volunteers and paid for the work carried out on the spot and the man who had recruited a specific mercenary paid him. It looks as though the recruiters were not actually Chechens since the "volunteers" did not notice the characteristic accent nor a "Caucasian" appearance.

The military counterintelligence section leaders merely organized meetings and found volunteers and invited them to go to a specific place at a specific hour but took no part in the actual recruitment.

Thus in the Taman division three reserve servicemen signed contracts, in the Kantemir division 31 reservists and 22 servicemen signed contracts, in the "Vystrel" higher officers' courses eight officers and ensigns and two reserve ensigns signed, while in the 19th motorized brigade four officers, six ensigns, and three soldiers signed.

On 9 November buses arrived at the Solnechnogorsk and Naro-Fominsk garrisons and collected the "volunteers" and took them to Chkalovsk airport.

Major General B.N. Polyakov, commander of the Kantemir division, knew that FSK staffers were wandering his territory and looking at armored vehicles specialists. He did not attach any importance to this, believing that they obviously intended to form some new armored subunit. When his soldiers were quietly led away to subdue Chechnya and he himself was told only when they left, he decided to stop the matter and sent his own chief of staff, Colonel A.V. Orlov, to Chkalovsk.

On arriving at the airport Orlov immediately had a fight with A.A. Kotenkov, deputy minister for nationalities affairs and regional policy, who was in charge of the gathering and dispatch of the volunteers and did not want to let the Kantemir regiment volunteers go. Kotenkov rushed to telephone Colonel General Kolesnikov, chief of general staff, on the ATS-2 system, but after talking with him he gave in and handed over to Orlov the servicemen from the Kantemir division but promised they would soon go to Mozdok anyway.

The list of passengers was shown personally by Kotenkov to the aircraft commander so that he could understand what kind of freight he had and then immediately took back the list, citing the top-secret nature of the flight.

The Kantemir servicemen returned to their Naro-Fominsk garrison and on 15 November Chief of General Staff Kolesnikov telephoned Polyakov and gave him a sharp order to send to Mozdok all those who had signed contracts. The next day they flew from Chkalovsk.

In Mozdok, at the "Arsenal" base the contract signers studied the T-72 tank (since they were mainly T-80 specialists) and taught Chechen crews who, it emerged, had a very poor knowledge of their own armored vehicles. In all the contract servicemen received 40 absolutely new tanks and of these 15 vehicles had "Russian" crews.

The day before the storming a large group of officers arrived in Mozdok. According to some reports Chief of General Staff Kotenkov flew in with them.

Before the storming all the "volunteers" were given pseudonyms, their documents were taken from them, and in general an attempt was made to remove from them all signs of "Russian" origin. The march on Groznyy was led by Avturkhanov and Gantemirov themselves — they traveled together with the convoy to the city. But the operation was worked out by Defense Ministry specialists. The fighting in Groznyy was under the direct leadership of V.I. Zhukov, deputy commander of the Volgograd corps.

The taking of Groznyy failed resoundingly since the operation was extremely poorly organized and the crews were not given clear missions, questions of collaboration were not rehearsed, and there was moreover a complete lack of the promised air and infantry support.

It is known for sure that as a result of the storming five servicemen and seven reservists died and two went missing. Many were taken prisoner and only a few managed to get out of the city. They were paid directly in Mozdok.

So the roles in this entire story were allocated as follows: The FSK engaged in information backup, the Defense Ministry elaborated the actual military part of the operation, the Ministry for Nationalities Affairs in the shape of Kotenkov decided organizational issues involved in sending contract soldiers to Chechnya, and the military counterintelligence sought volunteers and set their "rendezvous" venue while representatives of the Chechen opposition according to this scheme were to have concluded contacts and paid money. But the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

volunteers' persistent assertions that contracts with them were concluded by entirely "Russian" people makes one suppose that the recruiting was carried out not by the Chechens but by employees of one of the above-mentioned departments.

Premier's Attention Focuses On Military's Problems

MM2711151295 Moscow KRASNAYA ZVEZDA in Russian 25 Nov 95 p 1

[Report by Oleg Pochinyuk: "Viktor Chernomyrdin Talks to Military in St. Petersburg. Without Equivocation"]

[FBIS Translated Text] During his meeting with St. Petersburg Garrison servicemen Russian Federation Government Chairman Viktor Chernomyrdin noted that this was the first time he had addressed such an extensive military audience. His previous contacts had been confined to the leadership of the Defense Ministry and the General Staff.

The theme of the discussion was set by Lieutenant General Nikolay Pugachev, acting commander of Leningrad Military District, who reported on the district's successful performance of its mission in the past training year and concentrated his main attention on the following problems: lack of planned resources, nonreceipt of new combat hardware and arms, lack of money for housing construction, etc. Colonel General Boris Plyshevskiy, chief of the Mikhaylovskoye Military Artillery Academy, dwelt on the unresolved issues of higher military training — St. Petersburg has six academies and over 20 schools.

The prime minister assured his audience that he was constantly looking at Army and Navy problems. According to him, we have something to defend today since the foundations of a new state economy have been laid in Russia: "And this means that we need modern Armed Forces, equipped with reliable hardware."

Viktor Chernomyrdin once again stressed the unchanging nature of Russia's opposition to NATO's eastward expansion and commitment to settling the situation in Chechnya peacefully while at the same time taking tough steps against those who are waging a "war of attrition down to the last Chechen."

It was reaffirmed that the government has already wrapped up the main questions regarding the money owed to the Defense Ministry and that there is a real chance of the military budget's being increased in 1996. But, according to the prime minister, a great deal here depends on the State Duma's position. In this connection he welcomed the possibility of Armed Forces representatives' turning up among the new corps of deputies.

The government intends to pay a great deal of attention to training Army and Navy cadres. St. Petersburg's higher military training should, according to Viktor Chernomyrdin, remain Russia's intellectual wealth and pride.

Viktor Chernomyrdin answered a number of questions from those present. In particular, he frankly admitted that the State Program for the Construction of Housing for Servicemen in 1994-1995 had not been implemented and promised to instruct specific people within the government to provide assistance in resolving the garrison's very acute housing problems. He is convinced that there will be a positive resolution on the question of free travel on city transport for Suvorov and Nakhimov School personnel and cadets — a problem which transport workers had recently exacerbated. The prime minister singled out the problem of military departments at civilian higher educational establishments as a topical issue, saying that the General Staff had to substantiate its position here. The question of increasing funds for the repair of the historic buildings in which St. Petersburg's academies and schools are generally located would also be resolved.

On the second day of his visit to St. Petersburg Viktor Chernomyrdin met directors of the city's major industrial enterprises behind closed doors at the Leningrad Optical Mechanical Association Joint-Stock Company, where they discussed problems of the defense order, conversion, exports, etc.

'Traditional' Arctic Supply Crisis Worse Than Usual

MM2711165495 Moscow IZVESTIYA in Russian 25 Nov 95 p 1

[Report by Igor Vandenko: "The North Shouts 'Help!'"]

[FBIS Translated Text] The supply of hot water to the cities of Arkhangelsk and Severodvinsk was terminated as of 23 November because of the fuel shortage. The No. 2 Severodvinsk Heat and Electric Power Station has been switched to a regime of supplying just itself. ITAR-TASS reports that the Arkhangelsk Heat and Electric Power Station is being kept working with fuel from the emergency reserve.

A "traditionally catastrophic" situation has taken shape with the importing of fuel, food, and other (technical industrial) products into northern and Far Eastern parts of the country. But this year's situation is traditional only in respect of the fact itself. According to State Statistics Committee figures, the quantitative indicators

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

relating to the main resources laid in store this year are substantially below even last year's. In many regions we might as well impose a state of emergency in connection with the onset of the cold weather.

Vyacheslav Ishchenko, leader of Murmansk City Administration's Information Department, told IZVESTIYA that the city's boiler houses have, on average, sufficient fuel stocks left for six days' operation. Fuel is running out in the "Sevmorput" defense ship-repair plant boiler house, which also serves a large city residential district.

A water-heating boiler went out of commission Thursday at the No. 10 Ship-Repair Plant in Murmansk Oblast, with the result that thousands of residents of the city of Polyarnyy beyond the Arctic Circle were left without heating. Specialists reckon that the accident was caused by the worn-out state of the unit's machinery and its operation with insufficient fuel. The Ministry of Defense, which has jurisdiction over the plant, owes the enterprise approximately 7 billion rubles.

On 23 November the president of Russia issued an edict according to which the restriction or termination of the supply of fuel and energy resources to military units or to executive authority enterprises and organizations providing for military service will henceforth be deemed "actions violating state security."

Can it be hoped that the problems "launched" at Murmansk ship-repair plants and similar places will now be resolved promptly? Even if that does happen, it will only partly resolve the problems of the "frozen North."

A dramatic situation, if not a tragic one, has been created there, despite the fact that the emergence of problems was known about in advance. On 2 October Sergey Shoygu, minister for affairs of civil defense, emergency situations, and elimination of natural disasters, sent the Russian Government a note stating that the iomplementation of Government Decree 603 "On Measures To Prepare the National Economy for Work in the Fall and Winter Period of 1995-1996" was about to break down.

It was then that Sergey Shakhray, vice premier of the Russian Federation Government, instructed the Ministry of Finance and the Ministry of the Economy to draw up measures and adopt appropriate decisions with due regard for the proposals set forth in the note from the Ministry for Emergency Situations. But, as Nikolay Sveshnikov, chief of a section of the ministry's department for the prevention of emergency situations, told IZVESTIYA, the reaction of the Ministry of Finance essentially boiled down to a statement of fact — "lack of necessary funds." Virtually no way out of this traditional annual crisis has been found during the three fall months.

The shipping season has ended in the North. So the situation can now be rectified only by means of some superhuman effort. The ministries and departments are already engaged in drawing up "measures to recruit the necessary resources and means in the event of a state of emergency in the Far North regions and comparable localities." Just as happened last year, billions if not trillions of rubles will come out of the country's emergency fund to "beat the winter."

Chelyabinsk Chinese Citizens Without Visas Deported

LD2811091995 Moscow ITAR-TASS in English 0731 GMT 28 Nov 95

[By Yevgeny Tkachenko]

[FBIS Transcribed Text] Chelyabinsk November 28 (ITAR-TASS) — The local authorities of Chelyabinsk have deported the first group of nine Chinese citizens, who lived in the southern Urals without visas. Officers of the section for the struggle against group and recidivation crime at the Chelyabinsk Interior Department took them to the airport.

This was one of a series of measures, started by the Chelyabinsk police two months ago against the Chinese, who lived there illegally. A number of raids showed that most Chinese were staying in Chelyabinsk either with expired visas, or without any visas at all. A growth of crime rate among the Chinese was registered recently. Five crime cases are now being investigated, in which Chinese citizens are suspects. This is why the Interior Department of the city is taking measures for deporting from Chelyabinsk all foreigns who stay there without permission.

Tyumen Leader Cited on Region's Needs, Status

MM2711111395 Moscow ROSSIYSKAYA GAZETA in Russian 23 Nov 95 pp 1,2

[Interview with Leonid Roketskiy, head of the Tyumen Oblast Administration, by Vladimir Yefimov, under the "Governor's Hour" rubric, date not given: "Pumping Oil in Tyumen but Collecting the Cash in the Capital" — first paragraph is ROSSIYSKAYA GAZETA introduction]

[FBIS Translated Text] Even though Leonid Roketskiy, head of the Tyumen Oblast Administration and a Federation Council deputy, calls himself a provincial politician, the whole tenor of his argument in the following interview calls to mind the well-known truth

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

that the provinces are not a geographical but a spiritual concept.

Tyumen Oblast — [Yefimov] They say that Tyumen really struck it lucky when vast reserves of oil and gas were discovered here in the early fifties, transforming a backward province into a region of strategic importance for the country. Does Tyumen Oblast itself benefit much today, Leonid Yulianovich, from the fact that three-fourths of the nation's oil and gas reserves are concentrated here?

[Roketskiy] If you believe the statistics the level of material prosperity of Tyumen Oblast's inhabitants is considerably higher than the Russian average. This is largely connected with the fact that a significant proportion of the population works in the north of the oblast, where they receive good pay supplements for the difficult climatic conditions. At the same time I am convinced that there is absolutely no need to overdo it and extract as much oil and gas as we are extracting today in order to maintain a decent living standard. Furthermore, this is disadvantageous to the Tyumen people — the main profit from the oil goes not to those who extract it but to those who refine it.

Unpaid wages have begun to wear the oil workers down. No one is paying them and no one is planning to pay them. Some structures which were set up to extract oil and gas on Tyumen Oblast's territory are no longer based here. The last of them left for Moscow several years ago. The main oil and gas field development facilities located on the oblast's territory do not actually belong to us. Their major shareholders, directors, banks, offices, and consequently taxes are all in Moscow.

What are we left with? Of the oil industry facilities we still have Tyumenneftegaz, which is exploiting the low-yield deposits. We have Nizhnevartovskneftegaz, with its colossal debts and high oil production costs; we have the devastated [lake]; and... we have disillusionment. It transpires that reducing oil extraction would not be the greatest evil for Tyumen Oblast. The less we extract, the less damage will be done to our land and the less clogged our lakes and rivers will be.

[Yefimov] However, the region does receive good compensation from the extracting enterprises in payment for the oil, does it not?

[Roketskiy] In fact this money is being used today to pay the wages of workers of budget-funded organizations, teachers, and doctors. Meanwhile the underground reserves are disappearing forever. What will we bequeath to our descendants? It is naive at the very least to regard Tyumen as a kind of Eldorado or Kuwait. If only because the oblast depends on subsidies today. Primarily for the reasons that I have already mentioned. The oblast administration is trying to counter these negative tendencies and, I think, is doing so quite successfully. It is thanks to the support of the president and the chairman of the government that the Tyumen and Siberian oil companies have been formed. It seems to me that as time passes Moscow is increasingly coming to understand that it cannot take things out of the territory all the time, that it has to leave something here....

The main thing for Tyumen now is to make maximum use of the oil and gas that are being extracted on our territory and acquire the technology to set up competitive production units. Perhaps I will cause offense if I say this, but I can see that oil and gas spoil people. A second generation has grown up now since the people came here in the sixties. These young people are not desperate to become oil workers or construction workers. This is alarming. And it means that it is necessary to find ways to teach young people to create wealth with their own hands and not just to use the gifts of nature.

[Yefimov] Tyumen Oblast has on its territory and forming part of it today other, equal components of the federation, namely the Khanty-Mansiysk and Yamalo-Nenetsk autonomous okrugs. A matreshka-doll arrangement, it turns out....

[Roketskiy] The oblast does, indeed have three Federation components in one territory. Fifty years ago, when it was formed, it contained two autonomous okrugs where indigenous peoples of the north — the Khant, the Mansi, the Nenets, and the Selkup — lived. The talk about "component status" began with the collapse of the USSR, when the policy of sovereignization was adopted. The autonomous republics became republics and the autonomous okrugs became components of the federation. Then it was all enshrined in the Federation Treaty and later the Constitution. Of course, the architects of the Constitution were aware of the artificiality of the new-formed Federation components and so envisaged a situation in which autonomous okrugs could belong to an oblast. That was how the "matreshka arrangement" emerged.

Despite that, Tyumen remains as before the region's common economic and administrative center. Nevertheless, there are forces which are determinedly trying to wreck the oblast. Paradoxical as it may seem, certain federal departments turned out to have the greatest interest in a division of the oblast. Today there are three autonomous committees for the management of state property and three antimonopoly committees on our territory. This is a temptation for them. For example, whereas in the past the notional top government

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

employee wore a major's epaulets, now as chief of a Federation component he is automatically given a general's star.

For our part we are taking steps to amalgamate the federal organs. They do not all necessarily have to be in Tyumen. It would be logical to place the oil committee in Khanty-Mansiysk and the committee for the problems of the northern peoples in Salekhard. We have common agencies responsible for internal affairs, the Federal Security Service and three autonomous prosecutor's offices. This seriously complicates the fight against crime. In the next few days I intend to put this question to the new General Prosecutor — that the oblast must have a single prosecutor's office.

[Yefimov] Whether you like it or not, your actions will be strenuously opposed by the political elites in the autonomous okrugs themselves. You will be unambiguously accused of harboring imperial ambitions, and it will be said that Roketskiy wants to deprive the autonomous okrugs of their "component status." Tell us, are you trying to transform Tyumen Oblast into a separate component?

[Roketskiy] I do not want anything that is not essential. Let everything remain as it is. But increasingly often a political question arises. There are over 100 ethnic groups living on our territory. Not just the Khanty, the Mansi, and the Nenets, who constitute less than 2 percent of the oblast's population and are the titular peoples of their formation. We have over 200,000 Siberian Tatars, Chuvash, Bashkirs, and Chechens living here. People constantly ask me: How is it that some can have their own autonomous formation and others not?

Two years ago the law enforcement organs thwarted an attempt by some pretty influential forces to split the Khanty-Mansiysk Okrug into Mansiysk and Khanty formations. I cannot be sure at the moment that this will not happen again.

A united and powerful Tyumen is a thorn in the flesh for many people. The oil and gas structures would stand to gain from splitting our oblast into as many components as we have oil and gas companies. If that happened it would be possible to confuse matters so much that no one would ever work out how much oil and gas there was here, where it was all going, and who was getting it.

[Yefimov] How do you see the possible scenario for the resolution of the Tyumen conflict?

[Roketskiy] This is least of all a Tyumen problem. All the compound formations — the "matreshka dolls" — of the Russian Federation are in a similar situation. Admittedly, we sensed the urgency of the problem somewhat earlier than Krasnoyarsk Kray. A territorial conflict, I know, is also brewing in Arkhangelsk Oblast where they have also discovered oil and gas in the Nenets Okrug.

For more than a year now I have been badgering our legislators in the capital to elaborate and put forward their recommendations. They said to me: Work out your own agreement, sort it out for yourselves. I do not think that this is a very statesmanlike approach. Because no matter how much self-respect we have, we are still homespun provincial politicians, and it is beyond our remit to be determining the state's strategic and geopolitical interests. There are universally respected academicians specializing in state administration and a great many institutions which ought to be thinking about this and taking responsibility for the Russian Federation's organizational development. They all seem to understand, they all seem to be working for a single powerful state — the Russian Federation — but no decisions are being made.

[Yefimov] Leonid Yulianovich, can the relations between the center and the regions today be considered normal? In your opinion, what should they be like?

[Roketskiy] I think that quite a lot has already been done to seek a compromise between the interests of the center and of the regions. But why do some Federation components have more rights than others? I can quote situations which worry ordinary people who are far removed from big-time politics. Why, they ask, is bus travel free in one oblast whereas a ticket costs 2,000 rubles [R] in another? Why does bread cost R1,000 in one oblast yet R3,000 in another? Are we living in different countries? There are thousands of questions like that.

At the same time over 70 Russian territories live on subsidies. I believe that this is all wrong, especially on the eve of the adoption of next year's budget. Once again this is a question of planning on the basis of past achievements. Once again those who complain the loudest or are nearest to Moscow get most. Clear normatives have still not been worked out: so much per hospital patient, so much per school-child, the need to ship a given quantity of food and prime necessities — no more, nor less — per inhabitant of the North in good time, so much equipment per hectare of agricultural plowland.... After that, proceed as prescribed: If a region does not have enough resources of its own and the state does, the state helps out.

[Yefimov] The elections for the governorship of Sverdlovsk Oblast surely did not go unnoticed among the heads of administrations in other regions....

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Roketskiy] I think that governors should not be appointed, they should be elected. But at the moment it is not clear how the governor should be elected in Tyumen Oblast or from what territory. The oblast charter says that a governor is elected from the whole of its territory. The Khanty-Mansiysk Okrug Duma is appealing to the Constitutional Court: They want a governor of their own. Should this be resolved at federal level? Undoubtedly.

[Yefimov] Despite the well-known difficulties, life goes on: You are full of optimism, self-assured, and proud of Tyumen not just as an oil and gas capital. You call yourself a provincial politician, but you are by no means the country bumpkin that some people might think you are.

[Roketskiy] I have not lived in the capital, and Tyumen is my only schooling. I worked 23 years in the North in the gas industry and the construction industry. I was entrusted with responsible work. Now I have gained the population's trust as well. I live and work in the provinces and do not hanker after Moscow.

The Siberian Accord and Greater Urals regional associations held conferences in Tyumen this year. From meetings with colleagues I realized how ill-informed we are about one another. For example, for many of them Tyumen Oblast was a revelation — they did not know that it is a major generator of electricity. So the state should not spend vast amounts of money modernizing the neighboring Beloyarsk AES [nuclear electric power station] when it can get cheap electricity from us.

The Muscovites were very surprised that Tyumen has excellent conditions for agriculture: This year we had a good harvest of around 1.5 million tonnes of grain. None of our guests expected to find that we produce some of the country's finest woolen fabrics. Motorists know all about Tyumen batteries and electrical engineering equipment.

I hope that in a year or two we will begin the production of polyethylene, polypropylene, and rubber. We are already producing jet engines and river boats and have begun the production of oil equipment. Slowly but surely we are developing our production of the major types of output. This is the third year now that we have increased the construction of housing, roads, and gas pipelines. Tyumen people's living standards are rising year by year.

We have become more self-confident. The region's enterprises have obtained loans totaling 1 billion German marks on the oblast administration's guarantee. We know how we ought to develop. But the most important thing is that peace and accord have been maintained on our territory.

I am convinced that Tyumen today is capable not only of feeding and clothing itself and providing work for a great many people but also of being a reliable bulwark of the state.

Economic Issues

Davydov on Russian Debt Restructuring Agreement

LD2711212095 Moscow INTERFAX in English 1843 GMT 27 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 27 (INTERFAX) — An agreement on the long-term restructuring of Russia's $40 billion debt to the Paris Club will be signed in May of 1996, Deputy Russian Prime Minister and Foreign Economic Relations Minister Oleg Davydov told INTERFAX Monday.

The problem of the global restructuring of Russia's foreign debt, a Soviet legacy, will thus be resolved, said Davydov.

He said that Russia's foreign debt, estimated at $130 billion, mostly consists of credits granted to the former USSR by Paris Club countries, London Club banks as well as by individual states and private creditors.

Russia's own debt of $20 billion is relatively small and is being repaid in accordance with the terms of the credits.

Davydov believes that the global restructuring of Russia's debt for Soviet-era credits will allow Moscow to "win time and funds to carry out economic reforms, obtain access to international financial markets and improve the investment climate in Russia."

According to him, the goal will be reached after Russia and the Paris Club sign an agreement envisaging that Moscow will repay its debts within 25 years with a seven-year grace period when it will only repay the interest, with the repayment of the principal beginning in the year 2002.

Moscow signed a similar agreement on the restructuring of its $25.5 billion debt to the London Club in mid-November. Under the agreement, in 1996 Russia will pay London Club members $1.6 billion in interest for 1994-1995.

Moscow's foreign debt repayment will total $8.5 billion next year, including $5.2 billion in interests.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Livshits: Dollar Corridor Future To Be Decided Soon

MK2811100295 Moscow SEGODNYA in Russian 25 Nov 95 p 1

[Report by Elmar Murtazayev: "Hard Currency Corridor's Future Will Be Decided in a Few Days"]

[FBIS Translated Text] The future of the hard-currency corridor was the main issue when Boris Yeltsin was meeting with his economics adviser Aleksandr Livshits yesterday. The latter briefed the president on the future hard-currency corridor options being considered in the Central Bank, government, and the presidential administration. Addressing a news briefing after the meeting, the presidential aide stated that decision on this question can be expected "within 14 days at most." Mr. Livshits noted that those assigned the task to produce a corresponding decision "are already close to this." A somewhat more specific deadline was named yesterday in another press conference, that by Sergey Pavlenko, head of the government Working Center on Economic Reforms [WCER]. In his words, a joint decision by the government and the Central Bank on the future of the hard-currency corridor will be made in the coming five or six days.

Mr. Livshits thinks that there should be under no circumstances any "abrupt movements" in deciding on the hard-currency corridor. Mr. Pavlenko, for his part, announced that various options were possible: The hard-currency corridor will either stay as it is, or its top and bottom limits will be moved.

Answering the question on how the hard-currency corridor policy affects Russian export sectors, Mr. Livshits noted that he does not regard himself to be exporters' lobbyist and that he is convinced that "the Russian enormous internal market will be in the future the locomotive of the Russian economy." A similar point of view is also held by the WCER head. In Mr. Pavlenko's estimate, the achieved stabilization of the ruble rate will make it possible to keep Russia's debit balance also in 1996.

At the president's meeting with Aleksandr Livshits the problem of giving in pledge federally owned blocks of shares was also discussed. According to the presidential aide, the president pointed out that the pledge scheme "is correct in principle." At the same time, the head of state recommended that the government go back to the question of giving in pledge defense enterprises' shares. Besides, the president asked, in Mr. Livshits's words, to adjust the government decision abolishing the reservation of 30 percent of funds for wages. The latest government decision caused tensions in a number of work collectives, which complained to the president. Mr. Livshits emphasized that the president has in mind "precisely an adjustment, not abolition," of the corresponding decree.

Text of Yeltsin Edict on Customs and Currency Control

MM2711165295 Moscow ROSSIYSKAYA GAZETA in Russian 25 Nov 95 p 5

[Edict No. 1163 of the Russian Federation President "On Priority Measures To Strengthen the Currency Control System in the Russian Federation," signed by Russian Federation President B. Yeltsin and dated 21 November 1995]

[FBIS Translated Text] With a view to ensuring a legal basis for the development of the currency control system in the Russian Federation I resolve:

1. To establish that payments for foreign economic deals concluded by residents [rezidenty] envisaging the import of commodities onto the customs territory of the Russian Federation or the export of commodities from the Russian Federation's customs territory are effected only through the accounts of residents who have concluded deals with nonresidents, or on whose behalf such deals have been concluded, unless otherwise authorized by the Central Bank of the Russian Federation.

At the same time, payments made on foreign economic deals for which the participants in the foreign economic activity have produced registration certificates [pasport sdelok] are effected only through the authorized banks which signed such registration certificates.

2. To establish that resident importers [importery-rezidenty] who have concluded deals or on whose behalf deals have been concluded which envisage the transfer of foreign currency out of the Russian Federation with the aim of acquiring commodities are obliged to import commodities equivalent in value to the monies paid for them in foreign currency, or else ensure the return of these funds in an amount not less than that previously transferred within 180 calendar days from the date of the payment for the commodities, unless otherwise established by the Central Bank of the Russian Federation.

3. Resident importers who do not carry out or who carry out improperly the instructions of the Russian Federation currency control organs to ensure the implementation of the provisions of Point 2 of the present edict incur liability in the form of a fine equivalent in value to the foreign currency previously transferred as payment for the commodities, with the exception of instances whereby the customs organs of the Russian Federation

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

institute proceedings against them in accordance with part one of Article 201 of the Russian Federation Customs Code.

The fine envisaged by the present edict is not imposed in those instances, with the relevant documentary confirmation, wherein with the Russian side bearing the risk the commodities have been destroyed and irreparably lost as a result of an accident or the action of force majeure or of a deficiency occurring as a result of natural wear and tear or loss in normal transportation and storage conditions, or else when the commodities have left the possession of the Russian side as a result of unlawful actions by the organs or officials of a foreign state, or if it proves impossible to return the sum transferred as payment for the commodities as a result of the action of force majeure or unlawful actions by the organs or officials a foreign state.

The fine imposed on the resident importer in accordance with the present edict is levied in rubles at the rate of the ruble against the foreign currencies as established by the Central Bank of the Russian Federation on the date the funds are withdrawn and is levied by the Russian Federal Service for Currency and Export Control.

4. The Russian Federation State Customs Committee is to ensure the monitoring of the implementation of the provisions of the present edict during the customs registration of the commodities being imported onto the customs territory of the Russian Federation and also when implementing customs and currency control of such commodities in accordance with Russian Federation customs legislation.

5. The Russian Federation Government and the Central Bank of the Russian Federation are within one month to adopt the normative acts necessary for the implementation of the present edict.

6. To establish that, for carrying out the functions of currency control agents, the authorized banks have the right to levy from the clients who registered their deal certificates with these banks payment of no more than 0.15 percent of the amount of the deal on which the authorized bank is carrying out currency control.

7. The present edict enters into force 30 days after its publication.

[Signed] President of the Russian Federation B. Yeltsin

Moscow, the Kremlin
21 November 1995
No. 1163

Economy Minister Criticized for 'Generalizations'

MM2711140695 Moscow TRUD in Russian 25 Nov 95 p 2

[Report by Albert Kozlov: "Position of the Poor Unchanged"]

[FBIS Translated Text] "There is no alternative to the government's economic course," Russian Economy Minister Yevgeniy Yasin stated categorically at a press conference.

But when journalists asked him to expand on this, he cited the well-known and oft-repeated statements made by government leaders regarding the tendency for the inflation rate to come down in the country, the emergent stabilization in the financial and production spheres, and the strengthening of the ruble. The minister delighted those present by saying that compared with 1994 the level of income of the country's wealthiest citizens (they represent 10 percent of the total population) has fallen from a factor of 14.1 to 13.4 [sentence as published]. However, when the minister was asked about unpaid debts, rising prices, the subsistence minimum, and other topical issues, he effectively avoided answering, confining himself to saying things like "this is a painful issue" or "a very complex problem."

As for commenting on the 1996 budget — which was why the press conference was convened — here too the gathering heard generalizations rather than answers to specific questions.

Economic Reform Center's Pavlenko Upbeat on Nonpayments

MK2811062695 Moscow KOMMERSANT-DAILY in Russian 25 Nov 95 p 3

[Unattributed report under the "Own Information" rubric: "Russian Enterprises Come To Pay Debts More Often"]

[FBIS Translated Text] At yesterday's press conference of the government's Working Center on Economic Reforms, its head, Sergey Pavlenko, and Mstislav Afanasev, executive secretary of the commission on nonpayments, did not hide their optimism. According to the Center's data, the situation in the agrarian sector has become relatively stable of late, and its share in the overall structure of nonpayments did not increase appreciably. There have been fewer nonpayments in construction, where the economic situation is the most favorable. The nonpayment situation in transport was characterized as the most difficult of all, especially in pipeline transport, which accounts for 20 percent of transport nonpayments. Sergey Pavlenko openly stated that the results

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of the fiscal policy may provide the government with an argument on the threshold of the elections. According to him, 1995 is the first year that "the government has been implementing a sufficiently balanced macroeconomic and microeconomic policy." Owing to tough controls on expenditures, it has been possible to maintain the federal budget deficit at 3.5 percent of the gross product [valovoy produkt]. Comparing the 1995 results with the previous ones, Pavlenko stressed the considerable increase in the share of housing construction as being an "indicator of the population's growing confidence in the future." This sector of the economy, in his words, is going to become one of the "locomotives of growth" of the economy, along with the fuel and energy complex. Taking a question from a journalist concerning the hard-currency corridor, the Center of Economic Reforms head noted that the results of the impending elections will not alter the position of the Russian Federation Central Bank, which is planning to preserve the "horizontal corridor" until the middle of 1996, or to introduce an "inclined corridor."

Redemption of USSR 'Car Bonds' To Be Complete in 1996

MM2711165195 Moscow IZVESTIYA in Russian 25 Nov 95 p 2

[Report by Dmitriy Dokuchayev: "The Russian Ministry of Finance Settles Up With the Population for the USSR's Debts"]

[FBIS Translated Text] Since the end of last year, 2.1 trillion rubles [R] have been spent on repaying the internal state debt. Russia has settled up with its citizens for the former USSR's debts: in respect of the 1990 interest-free specified-commodity loan bonds and specified-purpose clearing-house checks for working people in the northern territories.

Just two years ago this was a "hot" topic for journalists and a truly dangerously explosive one for Finance Ministry employees. If only because the ministry was besieged for six months by crowds of northerners deprived, as a result of the drastic devaluation of money, of the possibility of acquiring the car promised them by the Soviet state.

There were rallies, demonstrations, hard-hitting explanations, and even "kidnappings" of employees, Bella Zlatkis, leader of a department at the Ministry of Finance, recalls. But the rallies gradually ended, and the subject was dropped from television screens and newspaper front pages. This happened because a fundamental decision was adopted, and the state started to pay the debts.

Under the 1990 interest-free specified-commodity loan the population paid in advance for the opportunity to acquire commodities in increased demand at that time — cars and sophisticated domestic equipment. Money is now being repaid in respect of those bonds. This is probably natural, since the commodities themselves have ceased to be in short supply, and the needs of many families have changed over the past five years.

The average prices which have evolved on the market for a given commodity (according to reports of the State Committee for Statistics) have been taken as the basis for settling up with people. Judge for yourselves how fair these settlements are: Compensation of R700,000 has been paid on bonds for a Russian-made microwave oven, and R1.6 million for a "Vyatka-avtomat" washing machine.

In the course of the payments prices are indexed every three months with regard to inflation. But in the case of the "car" bonds the state has been able to compensate for only 60 percent of the average cost of a vehicle with a trade markup. That is, R25 million is paid out for a Volga car, whose sale price is R31 million.

To date, 70 percent of all existing bonds have been repaid. The government plans to settle up for the rest next year. The budget now being approved by the Duma contains a corresponding class of expenditure in the sum of R800 billion.

The pledges to the northerners are also being fulfilled. All 111,000 people who paid for their cars in full in "old" money before 1 January 1992 have already received their vehicles. It is more complex to settle up fairly with the 180,000 who continued depositing "new" inflationary money for vehicles during 1992-1993. They are getting compensation only for that part of the amount which was deposited before 1 January 1992. This year the Duma adopted the law on the state commodity debts of the former USSR, under which the payment of compensation will be continued. Bella Zlatkis regards as fundamentally important the approach itself, when the state does not walk away from the problems of its citizens, who at a stroke were deprived of their savings as a result of particular macroeconomic upheavals, but legalizes them, imparts to them the form of an internal debt, and draws up a scheme to repay them.

Well, it is possible to look at the problem of internal debt from two positions. On the one hand, the pride of the Ministry of Finance, which has managed to draw up and implement a tough line on the repayment of the population's debts under conditions of a budget deficit and a catastrophic shortage of funds, is understandable. On the other hand, it is possible to understand the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

ordinary citizen, who is indifferent to budget problems and who would like to receive the car that is due to him in its entirety and at once, not just part of its value five years later.

Energy Company Draws Up 6-8-Year Investment Program

MM2811104995 Moscow FINANSOVYYE IZVESTIYA in Russian 23 Nov 95 p 2

[Report by Aleksandr Rubtsov: "Power Sector Still Dreaming About Foreign Investors" — received via Internet]

[FBIS Translated Text] The Russian joint-stock company "YeES Rossii" [Unified Energy System of Russia] has drawn up an investment program for the next six to eight years. According to the document, it is planned to build 44 new heat and hydroelectric power plants with a total capacity of 45 million kilowatts, 45 transformer substations with a total capacity of 38,000 megavolt-amperes, and more than 9,600 kilometers of power transmission lines.

At the beginning of this year, Russian and American specialists researched the sector's investment requirements for the next 10 years. The cost of commissioning new power plants and power lines and energy-saving costs were calculated separately. The calculations showed that, with a minimum increase in demand for electricity, investments will total $40 billion and, with a maximum increase, $72 billion. Moreover, it is planned to obtain the bulk of investments (70 percent) from the industry's own resources, 10-12 percent from the sale of shares, and less than 20 percent from loans.

It is planned to invest $3.5 billion this year, although it is unlikely that this target will be reached. The industry's own resources are formed from the investment component of electricity charges and tariffs and from profits. However, unpaid consumer bills now stand at 27 trillion rubles and the state no longer finances the sector.

All this reduces the power industry's investment potential. As a result, the amount of new equipment commissioned and obsolete equipment replaced will be one-half or even one-third of what is required, which cannot help but affect the reliability of our energy systems.

Anatoliy Dyakov, president of the Russian joint-stock company "YeES Rossii," believes that the sector needs help from foreign investors during this difficult transitional period. But even if it does not happen, the problem will become less acute in three to five years' time, because Russian capital will inevitably be invested and the situation in the sector itself will change. On the other hand, five years may be too long for power sector to wait.

One avenue that could be followed in the search for investors is the formation of an all-European wholesale electricity market. On the initiative of the German companies "Preussenelektra" and "Viag," the Russian joint-stock company "YeES Rossii," the Polish Electricity Network Company, and the Belarusian Ministry of Power and Electrification, a feasibility study of a project to build an East-West energy bridge with a throughput of 4 million kilowatts is being prepared. The questions of forming a combined energy system for countries in the Black Sea basin and a "Baltic Ring" energy association are being discussed.

The power industry is gradually becoming part of international relations. For example, Russia's unified energy system works in synchronization with the Baltic countries, Belarus, Ukraine, Moldova, and Kazakhstan. Part of Eastern Europe's energy systems have switched to working in parallel. The European Union satisfies some 50 percent of its energy requirements with imports from countries which are not members, and this form of export will grow in the future.

Russia has the potential to expand the electricity sales market. As much as 38 percent of the world's known gas reserves, 13 percent of its oil reserves, and 12 percent of its coal reserves are concentrated in Russian territory. The existence of fuel resources in the East and modern technology and financial resources in the West lends itself to mutually advantageous cooperation. However, fears experienced by foreign companies regarding the influence of increased Russian energy supplies to Western markets are preventing an influx of foreign investments at present.

Bank Chief Candidate's Record, Suitability Assessed

MM2711145995 Moscow IZVESTIYA in Russian 22 Nov 95 p 2

[Commentary by Irina Savvateyeva under general headline: "Candidate for Head of Central Bank Believes Russia Needs More Banks and Banking Control"]

[FBIS Translated Text] It is a typical detail that many deputies see the president's latest nominee [for the post of Central Bank chairman] as a kind of antithesis of Tatyana Paramonova, who is so disliked by Duma members. There were many things about Mrs. Paramonova that the people's elected representatives did not like. First, she was seen as a "government figure, under Chubays's control." Second, she acquired a firm reputation as "someone who does not like banks and depositors." Moreover, Paramonova was reputed to be an

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

obstinate and uncompromising woman. And, finally, the most "sophisticated" deputies drew attention to the fact that the former acting chairman was "only a narrow banking specialist when it came to organizing a settlement system" and that financial policy for her was a kind of "thing unto itself." (Incidentally, Tatyana Paramonova's undisputed services in organizing the mechanism of interbank settlements was recognized.)

Sergey Dubinin is seen by many in the Duma as a directly opposite figure. He is not a "banking technician" but has a perfect grasp of the financial system as a whole. Consequently, he can form views of his own on issues of financial policy. In general, Mr. Dubinin strikes deputies as a fairly independent man who is able to distance himself from the government — which is a very valuable quality in their eyes.

Incidentally, when it comes to the question of loyalty (or, rather, disloyalty) to the government, things are not all that smooth. People are also saying that Dubinin is Chernomyrdin's man. The last two entries on the candidate's CV — "Imperial" Bank and the "Gazprom" concern — could raise major questions among the government's fundamental opponents.

There has also been a certain amount of dissension when it comes to assessing one of the candidate's very important qualities — which could be defined as his "degree" of toughness. Some people are pinning their hopes on him to bring about a certain easing of financial policy. Conversely, others are claiming that in such matters Sergey Dubinin is more than capable of "taking a hit" — when he was finance minister he was able to say "no" even when Chernomyrdin could not afford it.

But Aleksey Golovkov, deputy head of the State Duma Subcommittee for Credit and Financial Policy and the Monitoring of Central Bank Activity, considers it very important that "Sergey Konstantinovich supports relatively tough regulation of the banking sphere" and is also a man prepared to participate effectively in setting up a compulsory deposit insurance system.

"The subcommittee has an agreement with Dubinin that he will immediately tackle these problems if he becomes head of the Central Bank and will not duck the difficult jobs — as the Central Bank has been prone to do hitherto," Aleksey Golovkov said in an interview with IZVESTIYA.

Our interlocutor also expressed the view that the voters would not understand those deputies who voted against a man who is prepared to work on a system for insuring their deposits and for strictly controlling the commercial banks.

It is interesting that Duma members of the most varied political leanings have already spoken in favor of Sergey Dubinin — Ivan Rybkin and Aleksandr Shokhin, Grigoriy Yavlinskiy and Gennadiy Zyuganov, Vladimir Medvedev and Gennadiy Seleznev. The staunchest opposition to the president on this issue has been put up by Glazyev's Democratic Party of Russia. Thus, judging from preliminary assessments, the only reason for Sergey Dubinin not to be elected would be political rebelliousness on the part of the people's elected representatives who have made fighting the executive their main stock in trade.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

International Affairs

Kuchma: Ukraine Should Profit From BSF Division

LD2511203195 Kiev UNIAN in Ukrainian 1615 GMT 25 Nov 95

[FBIS Translated Text] Ivano-Frankovsk — "One should approach the issue of dividing the Black Sea Fleet with consideration not only of the present, but of the future too," Ukrainian President Leonid Kuchma said at a news conference during his trip to Ivano-Frankovsk Region, a UNIAN special correspondent reports.

He noted that for Russia the Black Sea is a sphere of strategic interest and it "would not leave it just like that."

According to the president, Ukraine should profit from this situation. As an example he drew on the experience of Latvia, which has signed an agreement with Russia on the use of a radar set, and another one with Kazakhstan on leasing the Baykonur space launch center.

Russian Minister Signs Military Cooperation Agreement

LD2711214495 Kiev UNIAN in Ukrainian 1800 GMT 27 Nov 95

[FBIS Translated Text] Kiev — Russia has become the 30th state to sign an agreement on military cooperation with Ukraine, Ukrainian Defense Minister Valeriy Shmarov said at a news conference on the results of his meeting with Russia's Defense Minister Pavel Grachev.

He said that by signing this document the sides had avoided becoming dependent on the general political treaty between Ukraine and Russia. "The signed documents are mutually favorable, ensure that the military industrial complex will continue working, and provide for its output to be used," Valeriy Shmarov noted.

Touching on the problem of the Black Sea Fleet, the Ukrainian defense minister said that the agreed scheme for transferring the fleet's facilities to the Ukrainian Navy was important and provided an opportunity "to avoid uncivilized actions by both parties".

Valeriy Shmarov confirmed that the transfer of the Crimean Naval Base to the Ukrainian Navy would begin from 1 December to be followed by the Kerch Naval Base.

He said that the Ukrainian and Russian defense ministers had agreed to discuss in detail the issue of Sevastopol's infrastructure during their meeting in December at one of Ukraine's missile bases.

Defense Ministers' Sochi Agreements Detailed

WS2811095995 Kiev UKRINFORM in English 0757 GMT 28 Nov 95

[From the "Current Events" feature]

[FBIS Transcribed Text] Ukraine's annual expenses involving maintenance of the uncompleted "Slava" cruiser and the strategic bomber fleet presently lacking its capital weaponry, nuclear bombs and missiles run to 100 million and 160 million dollars, respectively, whereas the Air Force of Ukraine is in desperate need of spare parts for its SU-class fighter-bombers and other military aircraft, which are not domestically manufactured in Ukraine. In view of this both Ukraine and Russia would welcome as most logical barter deals between their defense ministries, as neither nation has funds enough to purchase military hardware. This was the conclusion drawn by the two defense ministers who accompanied Russian Defense Minister General Grachev and Ukraine's Defense Minister Shmarov to their meeting in Russia's Pontic health resort city of Sochi on November 23 through 25 [as received].

The hitherto unprecedented in terms of efficacy meeting brought about three dozens of bipartite documents meant for promoting Russian-Ukrainian defense cooperation and partnership. These include the agreements on transnational transportation of military hardware and carriage of Russian troops and materials across the territory of Ukraine, on airdrome/technical support and protection for each party's military aircraft and on joint access to each nation's military communication facilities and systems. In Sochi agreements were also reached on acquisition by Russia of strategic missiles manufactured in Ukraine and on cooperation in space exploration. Ukraine will also complete the construction of a cruiser for the Russian Navy. Some protocols which were signed in Sochi provide for further use by Russian military aircraft of the Tread-type runways in Ukraine and for sales of Ukraine's heavy bombers to the Russian Air Force. The two defense ministries also agreed on joint running and maintenance of facilities which compose the former Soviet Union's early missile warning system.

The meeting's major accomplishment was in approximating the two parties' positions on the crucial Black Sea problem. As general Grachev put it, the problem's dimension makes it a political issue to be solved by the two presidents, but it should not hamper the two nations' cooperation including their defense collaboration. As the Russian Defense Minister disclosed, Ukraine will cede ten TU-160s to Russia in the early stage of the agreement's implementation. Both Valeriy Shmarov and

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Pavel Grachev sounded optimistic on their Sochi meeting likely to speed up Russian President Boris Yeltsin's reportedly postponed visit to Kiev. The two Defense Ministers also stressed the very friendly atmosphere of their meeting. According to the Russian Defense Minister, his preliminary meeting with the members of his delegation quite unexpectedly revealed that he was the only person of purely Russian extraction with the nine other members being of Ukrainian extraction. The Russian Chief of General Staff, as it turned out, has motherlining in Kiev and thinks of the Ukrainian capital as his native city.

Deputy Premier on EU Free Trade Agreement Prospects

WS2711144095 Kiev INTELNEWS in English 2118 GMT 26 Nov 95

[Interview with Deputy Prime Minister Ihor Mityukov by Olha Burda in Kiev on 23 November; from the "INTELNEWS Weekly Digest"; first parapraph is introduction]

[FBIS Transcribed Text] Deputy Prime Minister Ihor Mityukov serves as Ukraine's representative to the European Union and the World Bank. INTELNEWS correspondent Olha Burda spoke with Mityukov during an EU-sponsored seminar at Kiev's Trade and Economics University. The deputy prime minister discussed Ukraine's prospects for obtaining a free trade agreement with the EU and the status of the country's efforts to further integrate itself into world economic structures.

[INTELNEWS] What is Ukraine supposed to receive from an EU free trade zone agreement?

[Mityukov] To date, Ukraine has based its relations with the European Union on the agreement on trade that foresees the possibility of establishing quotas for the export of Ukrainian goods to the European market.

Today we have the possibility to increase considerably the export of textile and metallurgical products to the markets of the European Union.

For Ukraine, this means additional money and jobs.

Unfortunately, the European Union has a legal right to use the quantitative restrictions towards Ukraine as a state that didn't conclude a free trade zone treaty.

From other side, today we have certain tariff restrictions regarding the access of European goods to Ukrainian market.

Ukraine put rather high customs tariffs on such consumer goods as carpets and clothing.

During the next two years, Ukraine has to harmonize this system and set the rules that would make this business profitable for both sides and the country could receive additional possibilities to export its products to European markets.

In addition, the access of foreign producers to the Ukrainian market will force domestic producers to improve the quality of their products, cut expenditures and keep prices to a rather low level to have a possibility for powerful competition.

This indirect influence could be positive for independent Ukraine.

[INTELNEWS] What do you think about anti-dumping proceedings taken against Ukrainian producers?

[Mityukov] Unfortunately it's true that anti-dumping proceedings are still taking place. Meanwhile, I think that exporter may set price privileges for local consumers in order to expand the access to certain markets. Of course that doesn't have to contradict the principles of the General Agreement on Tariffs and Trade (GATT) and nobody has right to sell products at the price lower than cost, but competition is competition.

If we liberalize exports and give the full liberty to producers, it would be unprofitable for the producer to sell their products at low prices. (The producer) would try to capture a market and then sell products at the market price to gain certain profit.

The absence of anti-dumping proceedings is actually that thing that is called free trade.

The United States and Japan recognized the status of Ukraine as a country with an economy in transition. Ukraine is waiting in this respect for the support of European Commission.

[INTELNEWS] Why is this so important for Ukraine?

[Mityukov] It's a question of promotion of Ukrainian exports. To date, export for Ukraine is one of the most important directions from which the country can receive the quickest results and not only from the point of cash receipts but also from the point of view of loading national industry with work, reducing unemployment and increasing the incomes of the population.

Countries with transitional economies have much better positions in talks regarding access to foreign markets. In the first place, that touches upon the conduct of anti-dumping investigations, reduction of quantitative restrictions and acceleration of the process of Ukraine's joining GATT/WTO (World Trade Organization).

If we will receive EU support in this matter, I think that Ukrainian economy would be able to produce an

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

additional quantity of products, which would mean final financial stabilization and an increase of the people's living standard.

Ukraine Willing To Put Troops in Balkans Under French

LD2711201295 Kiev UNIAN in Ukrainian 1900 GMT 27 Nov 95

[FBIS Translated Text] Kiev — "Both Kiev and Moscow consider that the issue of Ukrainian and Russian peacekeepers in the Balkans should be resolved without the participation of the NATO leadership," Ukrainian Defense Minister Valeriy Shmarov said today at a news conference.

He said that "the Russians have defined a special status for their commander, who will be under NATO control, and the Ukrainians propose to place their troops under French command (France is not part of the NATO structure), although NATO would retain overall control."

UN Notified of Readiness To Send Peacekeepers to Angola

LD2711212895 Moscow INTERFAX in English 1843 GMT 27 Nov 95

[FBIS Transcribed Text] KIEV, Nov 27 (Interfax - Ukraine) — Ukraine has officially notified the United Nations that it is ready to send to Angola a reinforced peacekeeping battalion of engineers numbering up to 1,200 people.

Ukrainian Defense Minister Valeriy Shmarov told a press conference in Kiev today that the United Nations had sent a request two months ago regarding the possibility of Ukrainian peacekeepers' participation in peacekeeping operations in Angola.

Shmarov said a group of military engineers had recently visited Angola. He said the structure and make-up of the battalion were currently being discussed rather than an immediate dispatch of the peacekeepers.

"The presence of the battalion of engineers in Angola will be in line with the political interests of Ukraine and its armed forces," Shmarov said. He said the United Nations would fund the Ukrainian peacekeeping battalion's activity.

Under Ukrainian legislation, Ukrainian servicemen can participate in peacekeeping operations abroad only with the parliament's consent.

National Affairs

Kuchma on Threat From Russian Nationalism

MS2711145695 London FINANCIAL TIMES in English 25 Nov 95 p 2

[Report on interview with President Leonid Kuchma, by Chrystia Freeland and Matthew Kaminski; date and place not given]

[FBIS Transcribed Text] Lenin once warned his Bolshevik comrades that "to lose Ukraine is to lose our head" and proceeded to use the republic as the most important building block of the nascent Soviet Union. Nearly 80 years later, a new generation of Russian politicians is confidently promising to rebuild the Soviet Union, and Ukraine has again become central to Moscow's reawakened imperial dream.

For Ukraine's President Leonid Kuchma, the resurgence of Russian nationalism is one of the greatest threats facing his nation and Europe as a whole. But Mr Kuchma has a message for the western leaders who share his concerns about the rise of Russian nationalism: Supporting Ukraine, he says, is the best insurance against the re-emergence of an irredentist Russia, bent on conquering its neighbours.

"Without Ukraine, there can be no Greater Russia," Mr Kuchma says. "I think that from all points of view an independent, economically strong Ukraine in the centre of Europe is the best anchor of stability for the European continent."

Yet Mr Kuchma also warns that support for Ukraine must be material not just rhetorical. "The industrial east [of Ukraine] and Crimea are inclined to be in favour of the renewal of the Soviet Union," says Mr Kuchma, who argues that only strong western backing for Ukraine's fragile economic reforms can ensure that his country remains united and independent.

As the west begins to consider what to do if a Communist-nationalist coalition triumphs in Russia's December parliamentary elections, Mr Kuchma's view is winning influential adherents. On his most recent trip to Moscow, US President Bill Clinton made a point of also visiting Kiev and assuring his hosts that a stable and sovereign Ukraine was an important goal of US policy. The Baltic states and the countries of eastern Europe, acutely sensitive to the slightest hint of Russian neo-imperialism, have been even more eager to encourage Ukraine to shore up its independence.

Ukraine is emerging as a vital piece in the puzzle of post-cold war Europe because of its dangerous intimacy with its northern neighbour, which still appears

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

to be casting covetous glances in its direction. Almost four years after Ukrainians overwhelming supported independence in a national referendum, many ordinary Russians and their political leaders continue to casually assume that Kiev will eventually return to the Russian fold. The most threatening manifestation of this attitude is the campaign pledge of the Communist party, Russia's most popular political group, to annul the 1991 treaty which was the legal basis for the dissolution of the Soviet Union.

The justification which Mr Gennadiy Zyuganov, the Communist leader, offers for this proposal is revealing: Ukraine and Russia are part of an indivisible ethnic whole, Mr Zyuganov says, offering as evidence the fact that his wife is a Ukrainian from the eastern city of Kharkiv. The kinship which Russians feel towards Ukraine — and which many Ukrainians, especially those in the eastern regions and Crimea, feel towards Russia means that Mr Kuchma must find a delicate balance between partnership with Russia and partnership with the west.

Unlike the Kremlin, which has been vociferous in its opposition to the eastward expansion of Nato, Mr Kuchma supports the admission of his eastern European neighbours to the western military alliance. But he also realises it would be unrealistic for Ukraine, to apply join the western club at the moment.

"I am a pragmatist. I know that NATO is not waiting for Ukraine with breathless anticipation and that if I said tomorrow 'I want to join Nato' no one in the west would cheer."

But Mr Kuchma also has no intention of joining the new military bloc Russia is trying to create. When his Russian counterparts urge Ukraine to become a member, Mr Kuchma says that he counters their request with a question: "When they ask me to join, I tell my Russian partners that they should ask themselves, why it is that everyone wants to join Nato and no one wants to join the Tashkent alliance (the fledgling Russian-led military bloc)."

Mr Kuchma's attitude to Gazprom, Russia's monolithic natural exporter, reflects a similar ambivalence. On one hand, Mr Kuchma, who has a warm personal relationship with Gazprom bosses, has worked hard to improve Ukraine's relationship with Russia's biggest company. He converted Ukraine's $2.5bn debt to Gazprom into state bonds and this year, Ukraine, with the assistance of the International Monetary Fund, has been more or less paying its bills on time.

But, despite his efforts to establish a working relationship with Gazprom, Mr Kuchma is sceptical about the company's fundamental motives. "What Gazprom wants is to own everything in Ukraine — especially they want the gas pipeline, our gas storage facilities, and many of our strategic factories," Mr Kuchma says. "We must not give them the opportunity to acquire these things."

The tricky task of building a working relationship with a company and a country whose underlying aim is domination, has led Mr Kuchma to develop a hard-headed credo: "We have to co-operate with the Russians, but that doesn't mean we have to trust them."

This is an ambivalent policy, but one which Mr Kuchma is well placed to conduct. As Ukrainian president he is positioning himself as Europe's first line of defence against a neo-imperialist Russia. But, as the former director of the USSR's largest missile-building factory, Mr Kuchma was once in the front line of the Soviet Union's cold war.

Kuchma on Draft Constitution, Russia, U.S.

WS2711144295 Kiev ZERKALO NEDELI in Russian 18-24 Nov 95 p 4

[Interview with President Leonid Danylovych Kuchma, by Oleksandr Martynenko; place and date not given: "It Is Impossible To Supervise Everything From Kiev. There Is a Need To Set the Rules of the Game"]

[FBIS Translated Text] [Martynenko] Leonid Danylovych, recently, the draft constitution was submitted to the Constitutional Commission for consideration. What was the reason for the numerous innovations introduced in this draft, for example, for transforming the legislature into a two-chamber body?

[Kuchma] I am very glad that experts who well know the law, modern history and achievements of world science have drafted a new constitution. I thought that there was no need to interfere in this work and met twice with the authors of this draft to discuss only controversial tenets and express my own viewpoint.

I support a two-chamber legislature concept, because as of now the world has not invented anything better than a necessary counterbalance in legislative power itself. This is particularly critical during the transitional period, when neither society nor the legislature are structured.

A two-chamber legislature also will make it possible to avoid situations when the legislature is the highest instance in adopting decisions and then everyone must immediately fulfill them. Anyway, there will be an upper chamber which will to a great extent represent regions and be able to express its own opinion on an issue.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The next legislature must be structured. A kind of a political bloc must be created which will push a proposal regarding a prime ministerial-candidate. In democratic countries, as soon as the prime minister loses the support of parliament, the government's resignation then is at issue.

The new constitution specifies that the prime minister first obtain the legislature's approval. I myself proposed rejecting the idea of the president nominating the prime minister.

[Martynenko] A senate must express the will of regions. Is it true that this implies the development of a Council of Regions comprising heads of oblast councils?

[Kuchma] It is absolutely true. From the very beginning, we said that the Council of Regions is a prototype of an upper chamber which outlines a state position based on regional interests.

[Martynenko] Where, in your opinion, does the limit of oblast independence lie?

[Kuchma] No kind of political independence is at issue here. I think that we should limit ourselves to the autonomy of Crimea and derive experience from this. I imply negative experience here. We see what can be triggered by extraordinary regionalization [regionalizatsiya] that results in the emergence of political problems.

As regards economic independence, regions should be given as much as possible. With every trip, I become more convinced that it is impossible now — when the economy is acquiring a nonstate nature — to try to supervise everything from Kiev.

It is simply necessary to set the rules of the game. Economic issues, social security, science, and education — except for general national programs — should be transferred to regions. One should not be afraid of this; on the contrary, it is necessary to raise the level of regional responsibility, and, what is most important it is necessary to cure them of the habit of pointing fingers at Kiev. When something is bad, they say that it is Kiev's fault; when something is good, they say that it is due to the regions.

[Martynenko] Is it possible to say that the adoption of a new constitution will imply the decline of soviet power in Ukraine?

[Kuchma] Absolutely true. We took the first step when we adopted a Constitutional Accord; the adoption of a new constitution will imply a final decision on the issue. Although you see current developments, there are again appeals to go backwards. The Russian Communist Party has already rejected these dogmas and has begun to propagate human values, but nothing has changed in Ukraine.

[Martynenko] Do you think that the adoption of a new constitution will result in early elections to power bodies?

[Kuchma] I realize that this will be a primary stumbling block during the discussion of a new constitution. I understand that any deputy is first of all an individual who proceeds from his own interests.

It is necessary to think seriously about all this.... Perhaps a kind of a transitional period for a lower chamber is needed. In principle, I oppose revolutionary-type decisions; they will not provide stability. When deputies know that they will be in demand [chto oni vostrebovany] this is a normal thing. Given the understanding of the need for normal cooperation, we will think this issue over together. I have an interest in such cooperation. If today I criticize the legislature, I primarily imply its nonconstructive essence [nekonstruktivnyaya chast].

On Monday, a presidential representative to the legislature will be nominated to only find understanding and explain the presidential viewpoint on any issue to the deputies. In the legislature's assembly hall, antipresidential speeches are often heard or vetoes are adopted on presidential edicts, because deputies do not know my viewpoint on the issue. A presidential representative will be a coordinator. We are attempting to meet them halfway and organize normal cooperation, because we understand that there is no other way for us.

But I am concerned over the fact that, judging from everything, in the immediate future the legislature will only deal with the draft constitution and concentrate all its efforts on this issue. Hence, an entire program of government moves — with a great amount of legislative acts necessary for their implementation — will not be implemented.

I think that for this time-frame it would be expedient to empower the president with a right to adopt edicts or authorize the government to issue decrees, with subsequent approval by the legislature. It would be possible to agree that a presidential edict or a government decree come into force for three months. A document can then demonstrate its flaws, and only then will a new law incorporate the changes.

[Martynenko] How will the results of Russian elections influence Ukrainian-Russian relations? Many say that the leftist influence in our countries is increasing.

[Kuchma] I cannot say that the influence of communist concepts is growing in Ukraine. I agree that the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

influence of the people of the older generation, who remember that they could live on their former pensions and wages, is increasing. This nostalgia for the past is genuine, but it should not be used just for one's own interests.

Therefore, the people support not the concept, but the nostalgia for those days. It is necessary to do everything to alleviate this period, which is difficult for all of us. I have to head the state during this time-frame. Well, I am not lucky. Perhaps I, however, have been lucky. The results of activities of power bodies should not be summarized today, but later, from the viewpoint of another time.

I am only sure that there is no other way out. It is impossible to return to the past either from the political or economic viewpoints.

If one considers the elections to the Russian State Duma.... I believe that the leftist forces in Russia will obtain the same number of Duma seats as our leftist forces have received in Ukraine.

The situation in Russia, however, differs from that in Ukraine, because all parties and movements in Russia are united around a single concept — the creation of powerful and great Russia. All this is accompanied by a nostalgia for lost territories. There is a general national concept in Russia, while, regrettably, there is no such concept in Ukraine.

I am sure that this position — the restoration of great Russia — will not affect Ukraine too greatly.

[Martynenko] Many admit that two centers of gravity — Moscow and Kiev — have been established in the CIS. A number of CIS countries adhere to a position close to that of Ukraine. Do you assume that any type of unification is possible in the future?

[Kuchma] In the former USSR, no unification was possible without Russia. Russia being a strong state is in the interests of the entire world, and they also are in favor of preventing the beginning of its collapse, God forbid. I, however, am sure that cooperation with such countries should proceed in a geometrical progression. I liked Estonian President Lennart Meri's concept which he put forward in the UN. He implied holding conferences of small countries.

The time when the powerful of this world resolved all issues for other countries must be over. Each country, each society must have their own vote, and then indeed there will be an opportunity to build the world without military blocs and confrontation.

[Martynenko] Next week, Ukrainian and Russian defense ministers will hold negotiations. What do you think, is there an opportunity to resolve the Black Sea Fleet problem in the foreseeable future?

[Kuchma] I stated a long time ago that there is no pure military or technical problem of the Black Sea Fleet. There is a purely political problem, and its resolving depends primarily on two presidents. I think that if not for the state of Boris Yeltsin's health, this process would be on track.

Nevertheless, we are initiating this process, because confrontation does not profit anyone.

I had a talk with Boris Nikolayevich on 15 November. We discussed practically all issues over 20 minutes, and I felt that he was familiar with all problems. We discussed the issues regarding the customs union, free trade, and the Black Sea Fleet; we declared that the process of negotiations should not be stopped.

Finally, we agreed to meet and not delay our meeting; I wished him to be back in action as soon as possible. In general, he was in a very friendly mood.

[Martynenko] How do you assess the level of Ukrainian-American relations?

[Kuchma] I am sure that if not for the U.S. position on cooperation with Ukraine, we could have been in a much worse situation. The clear-cut position by the United States helped other countries understand the role and place of Ukraine in the world, particularly in Europe.

We always opposed any pressure on us. We are sometimes told: Do something, and we will help you. I want those who are abroad to comprehend our people and the state of our society. If the Ukrainian people had become convinced that the path of development along which the majority of the countries of the world travels was proper, there would have been less conflict in society.

On the other hand, much more could have been done on the part of our Western partners; I primarily imply government guarantees for their capital. We do not need credits; we need investments.

[Martynenko] You have announced the upcoming changes in the government. In what sectors are changes necessary today?

[Kuchma] Primarily, the government must begin to work. So far, a program has been drafted; it has been approved by the legislature, while now all are expecting specific work.

There are, however, many sectors where there are no changes. I am sure that nothing will be achieved today without structural changes, but our sectoral ministries

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

are waiting for something. Therefore, the government can make them responsible for the state in the coal or oil and gas industries.

There is an additional problem. Market conditions for reform require the establishment of a market infrastructure. I do not see any government moves in this direction. We have set up an agrarian stock exchange in Kiev which dictates prices all over Ukraine.

The acceleration of privatization should also be resolved. The structure of the government has not been changed, although we, at the time, promised to cut management elements. The period of information accumulation is over; it is time to begin to operate.

[Martynenko] Are you satisfied with the state of affairs in Ukrainian mass media?

[Kuchma] No. I am concerned with the lack of professionalism in presenting material. For example, a viewpoint of an individual cannot be presented as truth in its highest instance without another viewpoint. In this regard, we many mistakes are made.

Local Helsinki Committee Opposes Crimean Constitution

WS2811102895 Kiev UKRINFORM in English 0757 GMT 28 Nov 95

[From the "Current Events" feature]

[FBIS Transcribed Text] As UKRINFORM's correspondent in Simferopol, Crimea's capital, reported on Monday, November 27, the Crimean Regional Committee of the Helsinki Civic Assembly circulated a statement there which says that the adoption of Crimea's new constitution has aggravated and sharpened political tension in the peninsular autonomous republic. As the statement asserts, the debate over the draft constitution has shown beyond the shadow of a doubt that the parties which are involved in Crimea's political confrontation, are unable to reach a reasonable compromise. Nevertheless, the Crimeañ Tartar Kurultay faction in the Crimean Supreme Soviet, though it has not been in any way authorized to do so, has unswervingly championed the Crimean ethnic Ukrainian's right in the future spectrum of Crimea's political forces, the statement says.

According to the statement, the draft constitution was the branchild of a narrow circle of political forces, rather than a popularly debated constitution, for a regular draft constitution should be either put to a popular referendum or discussed by the electorate using the mass communication media. The statement further accuses official Kiev of having allowed the Crimean constitutional process to lead, not follow, that of Ukraine. The statement urges the Crimean warring political factions to once again hold talks in a bid to find a compromise solution to the draft constitution problem, that would take into account both Ukraine's future state order and the legitimate representation rights of Crimea's ethnic communities.

Economic Issues

Regional Distribution of Foreign Investment Viewed

WS2811124795 Lvov INFOBANK in English 0757 GMT 28 Nov 95

[From the "News Service" feature]

[FBIS Transcribed Text] Kiev. According to analyses made by experts at the City Tolerate agency, a little over one-sixth of all foreign investments made into Ukraine's economy ($115.7 million) goes into domestic trade. The two countries most actively involved in this sphere are the United States and Germany. Other areas attractive to investors include engineering and metal-working ($95.5 million, the largest investors being the US with $24.7 million, Great Britain with $15.2 million and Germany with $14.6 million), the food industry ($88.9 million; Germany with $28.6 million, Great Britain with $11.8 million and Cyprus with $9.2 million) and foreign trade ($63.4 million).

When looking at foreign investments from a regional point of view, then more than one-quarter of all investments made into Ukraine's economy - $172 million - are made in Kiev, $56.8 million of this figure in the first nine months of this year alone. Most of these investments have gone into joint ventures of which there are 1,200 in Ukraine's capital. After Kiev the Odessa and Donetsk oblasts have the largest amount of foreign capital invested with close to $68 million each. In fourth and fifth place are the Cherkasy oblast (with $57.3 million) and the Dnepropetrovsk oblast (with $55.2 million). Those left standing on the outside looking in are primarily agricultural oblasts - Kherson with $1 million and Vinnytsya with $1.9 million - as well as the Poltava and Mykolayiv oblasts.

In terms of Ukrainian investments into other countries, the largest amount has gone into Switzerland's chemical ($4.7 million) and fuel ($3 million) industries, Russian engineering and metal-working ($3.3 million), and Hungary's domestic trade ($2 million).

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Cabinet Presidium Discusses Draft Budget

WS2811102795 Kiev UKRINFORM in English 0757 GMT 28 Nov 95

[From the "Current Events" feature]

[FBIS Transcribed Text] As the Cabinet's press service reported premier Marchuk chaired a Cabinet Presidium session in Kiev, which discussed the draft budget and economic development plan for 1996. Ukraine's Finance Minister, Petro Hermanchuk, made a report on the draft national budget for 1996 noting the devastating impact on Ukraine's financial health of the continued production slump, sluggish business activity and shrinking investment, along with such negative factors, as the protracted non-payment crisis and the growing external debt. As Mr. Hermanchuk stressed, the draft national budget has been molded based on due consideration given to all these factors, as well as likely scenarios of the national economy's future behavior based on both dominant trends and active legislation of Ukraine. The draft national budget was presented by the Finance Minister as providing for a deficit not greater than six percent of Ukraine's GDP, which fits well into the limitations set by the Verkhovna Rada [Supreme Council] of Ukraine in its relevant resolution.

Vasyl Hureyev, the Minister of Economics, presented the draft program for the national economy's development in 1996 having stated the government's major objective as stopping the production slump and stabilizing production first, in order to start increasing it then. According to the Economics Minister, the plan's target figures have been set proceeding from the present economic conjuncture, Ukraine's R & D and technological potential, social structure, property's restructuring and financial possibilities, as reflected by the draft national budget. The session noted as highly promising the current trend in the national economy toward a better-balanced and consumer-oriented production, which is an inherent property of a free market economy. Regrettably enough, these positive trends have been but too feeble and not altogether irreversible, so the national economy will most likely continue to be influenced by such factors as shortages of funds, payment and trade disbalances, low productivity and cost-efficiency rates, through out 1996.

Proceeding from these and other prognosticated parameters the program's target figure for increasing production was stated by the speaker at only 0.8 percent versus 1995's aggregate production output. The program's anti-inflation measures are aimed primarily at decelerating and lowering inflation rates. Its societal policies proceed from the necessity to stop further deterioration of the people's living standards and cushion the negative impact of economic reforms on the society's underprivileged. The draft program also states the government's intential to proceed with the step-by-step wage reform in Ukraine and make every effort to improve the financial standing of enterprises. The two draft documents are supposed to be polished and finalized proceeding from the session's critical remarks and amendments.

Odessa Oil Terminal Building Justified, Urged

AU2711164895 Kiev HOLOS UKRAYINY in Ukrainian 23 Nov 95 p 9

[Article by Ukraine's people's deputy Dmytro Chobit: "The Odessa Oil Terminal — a Scarecrow for Simpletons. In Fact, However, It Is the Meanness of Those Who Create the Problem That One Should Fear"]

[FBIS Translated Text] **The building of an oil terminal in Odessa has received wide publicity. The debate that is in progress around this issue is mainly of political significance. Interests of forces that are interested in or opposed to its construction have clashed.**

Oil is the lifeblood of industry. To ensure their economic independence, all oil-exporting countries of the world get oil from at least three or four sources. Due to historical circumstances, Ukraine has, so far, the only source of oil supply — Russia. The Russian oil-extraction industry is now going through difficult times — volumes of oil production are steadily decreasing. In 1989, Russia extracted 556 million metric tons of oil, and this year, it is expected that it will not extract more than 250 million tons, while its own needs are for 280 million tons. Ukraine needs 36 million tons a year and Ukraine's oil refineries can process over 60 million tons a year. However, the majority of these refineries stand idle — not just Ukraine is short of oil, but also Russia.

To create conditions for Ukraine's reliable provision with oil that will be supplied by sea, Ukraine's Cabinet of Ministers adopted, on 15 February 1993, a decree on building near Odessa an oil terminal with a capacity of 40 million tons a year, and its first portion for 12 million tons of oil was to be commissioned in 1994.

The terminal has been and continues to be regarded as a factor in Ukraine's economic security and independence.

However, the construction met with frantic resistance on the part of its opponents, among whom Ruslan Bodelan, chairman of the Odessa Oblast Council of People's Deputies, and his entourage occupied a leading position. The ecological problem was construed as the main argument against the construction.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

On 11 July 1994, a group of young persons from the ecological organization "Keepers of the Rainbow" [Khraniteli Radugi — in Russian] blocked the construction and demanded that the Oblast Council stop it. Incidentally, the action was financed by the Russian Socioecological Association. On the same day, the Odessa Oblast Council of People's Deputies stopped the construction work referring to Article 33 of Ukraine's Land Code. Later, when construction of the terminal was resumed, there was an attempt upon the life of A. Nigreskul, head of the administration of the oil-shipment complex, and he was hospitalized with a bullet wound.

Various commissions dealt with the issue of the oil terminal, and it was repeatedly discussed at Supreme Council sessions. The question of allotting land for building the terminal was raised in a very acute manner at the Supreme Council session of 19 January 1995. V. Cherep, who spoke at the session, said this: Ukraine's Supreme Council Commission arrived at a conclusion that there was no violation of legislation during the allotment of land for building the terminal, and that there is no need to alter Article 33 of the Land Code, something that the Odessa Oblast Council insisted upon. The deputy substantiated quite well the need for Ukraine's Supreme Council to adopt a decree on allocating a piece of land for building the terminal, and this provides a legal basis for lifting the moratorium and continuing the construction of the terminal's first turn with a capacity of 12 million tons.

However, Communists and Socialists came out decisively against such a decision. Their arguments can be summarized as follows. The terminal will lead to Ukraine's strategic dependence upon Turkey. Through the transit of oil, Ukraine will become Europe's oil terminal base (as though this is bad). This threatens the ecological purity of the sea. By processing left-over oil, Ukraine will become a country of dirty production. Ukraine's oil refineries now stand idle, whereas in 1989, they processed 62 million tons of Russian oil (in those times it was O.K. and now it is not?). Oil may become a target for mafioso groups (as though it is presently not within their field of interests). The terminal will be too expensive. Summing up the arguments by Communists, deputy S. Drahomaretskyy stated [in Russian]: "The terminal is presently unprofitable for the people of Ukraine and for our country!" R. Bodelan spoke [in Russian] in the same vein: "The building of the said facility is very simply unnecessary!"

By way of comparison: At present, 501 terminals are operating successfully in the world. The Baltic republics have already built their own terminal and got rid of the monopoly dependence upon the Russian pipe. In 1995, Ukraine received a large amount of petroleum products precisely from the Baltic Region! In Russia proper — in Novorossiysk — an oil terminal is being urgently built. It is profitable and necessary for the Baltic countries and for Russia. What about Ukraine?...

Despite the vigorous resistance, Ukraine's Supreme Council adopted a decree in support of constructing the terminal — 208 people's deputies voted in favor and 83 (mainly Communists, Socialists, and some Odessa residents).

Odessa Mayor Eduard Hurvits shed light on the essence of the Odessa case. It appears that those circles in Odessa that are involved in piping Russian oil through the Odessa port are opposed to the construction. In 1994 alone, 13 million tons of Russian oil was officially exported via Odessa. On every ton, "dealers" make between $10 and $15. They have their own people everywhere and, through those people, they exert their influence, because they do not want to lose such a rich sinecure. "Do you really expect the oil mafia to voluntarily agree to the building of the terminal?! So that oil would not be exported, but imported?! Please look at the figures: 13 million tons of oil is currently being piped through the old, primitive, and ecologically unprotected oil harbor at the base of the Potemkin stairs. Not a single one of the ecologically concerned deputies says a word about this — as though their lips are sealed with tar! At the same time, the bringing into the country of 12 million tons of oil after the first component of the terminal is commissioned, and at a much larger distance from Odessa, is a cause for hysterics!" [preceding passage within quotation marks is in Russian.]

An additional confirmation of the veracity of these statements made by Ukraine's people's deputy E. Hurvits is the fact, made public at the session, of the building by commercial structures of their own terminal with a capacity of 6 million tons a year at Reni, very close to Odessa, without any authorization from the Cabinet of Ministers or Supreme Council. It is meant for the shipment of oil up the Danube — to countries of Central and Western Europe. Who needs a competitor in the person of the state?

Therefore, commercial structures, engaged in exporting Russian oil via Odessa and not wanting to lose the monopoly are prime opponents to the building of an oil terminal in the Pivdennyy [Southern] port near Odessa. They exert their influence through corresponding people within the power structures.

Communists and Socialists are yet another important force — they dream of returning to the times of the [Soviet] Union.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The third and most powerful opponent are Russia's governmental circles, whose oil-related plans do not envisage the Ukrainian terminal near Odessa that would deprive Russia of its levers for putting pressure not only upon Ukraine, but also upon countries of Europe, Transcaucasus, and Central Asia.

Russia is rapidly building an oil terminal in Novorossiysk with a capacity of 60 million tons of oil a year. Through that terminal, it is planned to export oil from Central Asia and Transcaucasus. In the next millennium, the Caspian Sea Shelf and oil and gas fields in Kazakhstan near Tengiz may become the main sources of liquid fuel. Their export to Europe is possible through three routes: Through Russia to Novorossiysk and further on through Turkey and through Georgia. An unconcealed struggle is currently under way between Turkey and Russia for future routes for transporting oil from Kazakhstan and Azerbaijan to the world market. Whoever wins in this struggle, will not only receive billions of dollars a year for the transit of oil, but also control of the pipe that will become an important factor in the geopolitical influence in countries of Central Asia and Transcaucasus.

Turkey offers its services and tries to lure Central Asian and Caspian oil to its own territory. For that reason, the Turks have introduced restrictions on the passage of supertankers that are filled in Novorossiysk through the Bosporus.

To go around the Bosporus and Turkish obstacles, Russia is conducting vigorous talks with Bulgaria and Greece on building an oil pipeline that must connect the Bulgarian town of Burgas with the Turkish port of Alexandroupolis. **The quintessence of this project lies in piping Kazakhstan's oil via Groznyy to Novorossiysk (this is the true objective of the massacre in Chechnya — control over the oil pipe, rather than the desire to grace the Chechens).** From Novorossiysk, oil will be taken to Burgas by tankers, and from there, through the pipeline — to Alexandroupolis, a port in the Mediterranean Sea; there oil will again be filled into tankers and again taken somewhere.

However, things are not that smooth with its Central Asian CIS partners — the influence of Muslim Turkey is intensifying there. On 9 October 1995, in Baku [in Azerbaijan], despite the frantic pressure of Russia, which had insisted on transporting Kazakhstani and Caspian oil through the available pipeline Baku-Groznyy-Novorossiysk, a decision was announced on starting the construction, alongside it, of a more powerful main line from Baku via Georgia to the coastal village of Supsa, where a terminal will be located. From there, oil may be shipped by tankers through the Black Sea. Turkey announced that it is ready to extend an oil pipeline from Georgia to its main oil pipeline, which runs to the oil terminal Dzheykhan [name as transliterated] in the Mediterranean Sea.

The Odessa terminal will accommodate oil arriving by sea from several sources and, by this alone it will liberate Ukraine's economy from its dependence upon a single pipeline. Via the currently available system of oil pipelines, oil from the terminal can be readily supplied to oil refineries in Odessa, Kherson, and Lysychansk. Of prime significance here is the building of an oil pipeline from Odessa to Brody [in Western Ukraine] where there is the largest pumping station of the "Druzhba" oil pipeline. After the construction is over, almost all of Ukraine's oil refineries would be able to obtain oil from Odessa through the pipeline.

Oil transportation in Ukraine would almost be in a circle. Apart from this, oil from Brody may readily be supplied through the available oil pipeline to the Czech Republic, Hungary, Austria, Germany, and other countries in which the system of oil pipelines is very well developed. The supply of oil from Odessa to Brody would sharply change the situation regarding the traditional routes of transporting the "black gold" and introduce significant amendments into the struggle between Turkey and Russia for oil markets.

The building of a 660-kilometer long oil pipeline from Odessa to Brody may take two years. However, this is not yet all. It is planned to extend the main oil pipeline for 300 kilometers from Brody to Adamowa Zastawa in Poland. Through Adamowa Zastawa, where a pumping station, similar to that in Brody, functions, there runs the northern offshoot of the "Druzhba" pipeline that links the oil pipelines of Poland and Germany and, most importantly, leads to the Gdansk terminal. Access to Gdansk makes it possible to connect the Baltic and Black seas with a pipeline and to pump oil in any directions; this is of an enormous strategic and geopolitical significance.

In the future, it will be possible to pipe Ukrainian oil, large reserves of which have been found in the sea shelf near the Crimean shore and near Odessa proper — on Zmiyinyy Island. However, even now, oil may be delivered to Odessa through several sea routes. The first is by tankers from the Near East. The second — in the same manner from Novorossiysk. The third and most advantageous route is oil shipment from the Near East through the available Turkish pipelines.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Turkey derives the main part of its oil from Iraq, through an oil pipeline. The Turkish Mediterranean port Ceyhan [Dzheykhan, name as transliterated] is the main terminal where Iraqi oil is loaded onto tankers. The same terminal is connected by a pipeline with a large oil-processing base in Kirikkale near Ankara. If a 320-kilometer long pipeline is built from Kirikkale to the Turkish Black Sea port of Samsun, then Iraqi oil can be transported there and delivered from there to Odessa by tankers (750 kilometers). With this direction of oil transportation via Ukraine to Europe, the route of the Near Eastern oil to Germany and Western European countries will become much shorter. Moreover, it is much cheaper to deliver oil through pipelines than by tankers.

Oil from the Near East is now shipped by tankers with the dead weight of up to 200,000 tons through the Red Sea and the Suez Canal. In the Mediterranean Sea, there are several oil terminals — these are, first and foremost, Triest, Genoa, and Marseilles. From these ports, oil runs through pipelines to Western European countries. From Triest and Genoa, the route runs across the tall Alps. In the vicinity of the German town of Ingolstadt, two oil pipelines from Triest and Genoa join up. Then the oil pipeline continues to Karlsruhe, where another three pipelines are joined — from the French city of Marseilles, Dutch Rotterdam, and German Hamburg. Rotterdam and Hamburg receive oil from tankers that sail there through the Mediterranean or even from those that sail around Africa — with a dead weight over 200,000 tons. Therefore, the route for oil from the Near East to Western Europe is quite long and complicated.

If the oil pipelines Odessa-Brody and, in Turkey, Kirikkale-Samsun are used, this would considerable reduce the time for Near Eastern oil delivery to Europe and would make this procedure much simpler. Besides, the Odessa terminal would be able to receive and pump to Europe oil from Novorossiysk and Georgian port Supsa, where it is also planned to build a terminal and to connect it with a pipeline running from Baku via Georgia. Through this pipeline, Azerbaijani and Kazakhstani oil will be transported to Supsa. The shortest way for this oil to Western Europe runs through Odessa-Brody. **Consequently, prospects for Ukraine are quite attractive. It is, therefore necessary to make use of Ukraine's advantageous geographical location in the interests of its economy.**

On 27 February 1995, the Executive Committee of the Brody Rayon Council of People's Deputies allotted a piece of land and agreed on the building of a connecting oil pipeline "Pivdennyy-Western Ukraine" on the territory of the rayon. At the given stage, design work on choosing places through which the pipeline will run is nearing completion. From Brody, it will run to Pidkamin and from there — to Khmelnytskyy-Odessa. In Brody proper, a considerable expansion of the reservoir depot of the "Druzhba" oil pipeline's pumping station is envisaged.

One would like to believe that despite the artificially created resistance and quite a number of organizational obstacles, the connecting oil pipeline Odessa-Brody will soon be built. In addition to the terminal, it will have a very great strategic, economic, and political importance and will influence the further development of not just Ukraine.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Belarus

Lukashenka on Possibility of Direct Presidential Rule

LD2711181095 Moscow INTERFAX in English 1613 GMT 27 Nov 95

[FBIS Transcribed Text] MINSK, Nov 27 (Interfax-West) — Belarusian President Alyaksandr Lukashenka reiterated at a news conference in Minsk Monday the possibility of introducing direct presidential rule in Belarus if the new parliament is not formed after a second round of elections to be held on November 29.

Lukashenka said that the relations between himself and the new parliament will depend "on the comprehension by the deputies of their place in the Belarusian political system."

The introduction of the presidency put an end to the period of parliamentary rule, said Lukashenka.

He pointed out the fact that in the new political system the Belarus parliament's role is limited to preparing laws and does not include actual governing of the country.

Lukashenka "harbors no illusions" that the new parliament will be loyal to the president. He said he has grounds to believe that many of the already elected 120 deputies may abandon their electoral promises of cooperation with the president.

Speaking about the development of cooperation between CIS countries, Lukashenka said that he is concerned about the amorphous state of the CIS. However, he spoke categorically against the dissolution of the CIS which he said "has not yet exhausted all its potential in the economic integration of the newly independent states."

President Draws Parallel With Hitler's Germany

LD2711222695 Moscow NTV in Russian 1900 GMT 27 Nov 95

[From the "Segodnya" program]

[FBIS Translated Text] A political scandal is coming to a head in Minsk. President Lukashenka handed his opponents a sound argument, drawing a parallel between the historical past of Germany in the time of Adolf Hitler and the bright future for Belarus. All of that occurred practically on the eve of the parliamentary elections in Belarus which the communists want to win. Our correspondent Aleksandr Stupnikov has the details from Minsk.

[Begin recording] [Stupnikov] It seems that a new scandal may erupt around Belarus today which threatens to assume an international character. During an interview with a correspondent of the German newspaper HANDELSBLATT, the president of Belarus spoke somewhat unexpectedly about the times of Hitler's Germany.

[Lukashenka] The history of Germany is, to a certain extent, a copy of the history of Belarus at certain stages. In its time, Germany was raised from the ruins thanks to a very tough power and not everything that was connected with that well-known figure, Adolf Hitler in Germany was bad. The whole German order was formed over the centuries and under Hitler that formation attained its peak. That is what, in our understanding, corresponds to a presidential republic.

[Stupnikov] The president stressed further that nobody should consider him to be a follower of Adolf's but Lukashenka pointed out that not everything can be black or white, in a process or in a person. There are also positive aspects. The interview was broadcast on Belarus radio and did not evoke any reaction among the population but shocked the intelligentsia. Belarus monitoring made a complete transcription of the interview which was passed around. Meanwhile, replying to a question today from this correspondent on what he said about Hitler and Germany in the 1930's, Lukashenka said:

[Lukashenka] The strengthening of power is inevitable. When you wanted to consolidate the nation, take the 1930's, you united around a famous person, and you know, no matter how you might feel about that, and the consequences were very bad in foreign policy, I agree, but the nation was indeed consolidated and order was introduced. And on the basis of that order [word indistinct] was exacerbated, including in Germany. That shouldn't be denied.

[Stupnikov] Nobody will deny that presidential power in Belarus is aimed at its strengthening. The president himself has spoken of that many times. The state needs order and stability, of course. It's another matter that order in society differs from order in the tank troops, from complete order. Aleksandr Stupnikov, Konstantin Morozov, Minsk, for NTV. [end recording]

Lukashenka on Elections, Economy, Customs Union

WS2811093295 Minsk BELAPAN in English 0750 GMT 28 Nov 95

[FBIS Transcribed Text] "I cannot say with certainty that this by-election will be fruitful," President Alyaksandr Lukashenka said at a press conference on 27 November. He assured the press that he would not voice calls on electors not to take part in the election. At the same time, the president urged people to vote for neither the candidates "you do not know" nor the MPs of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the old Supreme Soviet who run for parliament again. "Their appearance there means confrontation against the president," Lukashenka said. "My relations with the new Supreme Soviet will depend on the degree to which the new composition of the Supreme Soviet will understand, realize and see its place in the political system of our society." The president said he understood that the Supreme Soviet would never be pro-presidential. When the new parliament is elected, the president will suggest that it should consider above all bills on budget estimates and taxation. If two thirds of MPs fail to be elected in this by election, the president promised to introduce direct presidential rule.

Commenting on his relations with the Constitutional Court, the president thinks this problem is yet to be solved. He holds that "the Constitutional Court could not resist the aspiration to play politics. The last judgment of the Constitutional Court (the decision about the non-application of the 25-percent voter attendance to the forthcoming by election) is evidence that the Constitutional Court realizes its mistake, but does not want to admit it." The president defined this decision as legal nonsense and the Constitutional Court's policy as political intrigues which may lead to political collapse of society.

Answering a BELAPAN correspondent's question as to how the president plans to solve the problem of relationship with the Constitutional Court, Mr. Lukashenka only said: "I am very seriously studying very serious versions of the solution which were submitted to the president." Alyaksandr Lukashenka also declared that he did not intend to present his apologies to the members of the parliamentary opposition who were evicted by force from the House of Government when they were on hunger strike on 12 April this year. "I am not going to apologize. I have done nothing to apologize for. The Supreme Soviet is to make laws not to go on hunger strikes."

The president pointed out that administration in the country would be strengthened to the degree society needs.... You must give me an opportunity to act in an adequate manner... I am ready for absolute responsibility." According to him, a group was formed to prepare a substantiation of reforms for the president. The text of this substantiation will take 70 pages. It will be based on the idea of statehood.

Speaking about the achievements during the year of the presidential rule, Mr. Lukashenka named the curbing of inflation and political stability. He, however, stressed that market-oriented laws narrow the corridor within which he and the government have to act. Under present conditions, the task is "to cushion the consequences of market reforms.... You are wrongfully criticizing me for the notion 'market socialism'.... I am far from being an advocate of the communist society we had been trying to build for more than 70 years. I do not accept this. But I think the principle 'from each according to his ability to each according to his work' is normal, and we should not reject it. Social security in soviet times was much better than now. This is what I understand under the notion 'market socialism'."

The president confirmed the top priority of the policy for integration with Russia, Ukraine, and other republics of the former Soviet Union. At the same time, he admitted that "at first we talked much of the eastern vector of foreign policy and less of the western one.... Now we have balanced our foreign trade."

Alyaksandr Lukashenka expressed concern about the "amorphous character" of the CIS. Almost all the agreements that were signed do not work. It is time for the leaders of the CIS member-states to determine what is to be done in the future. He also admitted that the customs union with Russia was of no benefit for Belarus at its first stage. "But when we saw that time was slipping away and there was no movement from the other side, we began to take adequate measures to counterbalance the situation. Now we are keeping balance. The customs union has every prospect of success if politicians will."

President Lukashenka deprecated the fuss that is from time to time set up in the Russian press about Belarus' trade in arms. "Why is Russia to order what others should sell? Belarus traded and will trade in the part of weaponry which is at its disposal and not subject to the agreement on the ban on trade in arms," the president said.

Statistics Released on Official Corruption

WS2711151595 Minsk BELAPAN in English 1435 GMT 27 Nov 95

[FBIS Transcribed Text] Over the first 10 months of this year, law enforcement bodies disclosed 548 cases of bribe takings by state functionaries of various ranks. This was told to a BELAPAN correspondent by Alyaksey Taranaw, senior assistant to the Belarusian Attorney General.

During the entire 1994, 482 such crimes were registered. Three thousand eight hundred thirty six embezzlements and misappropriations were disclosed in January-October this year, which is 27 percent more than last year. The number of group crimes is also on an increasing trend. As of 1 November 1995, 16,560 group crimes were committed, which is 7 percent more than during the entire 1994.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In Mr. Taranaw's opinion, the tendency to increase is provoked to a certain degree by imperfect legislation in the sphere of corruption prevention and the struggle against organized crime. The draft of a relevant law was never approved by the 12th Supreme Soviet. This draft, according to Mr. Taranaw, gave precise definitions to organized and group crimes and corruption. In accordance with such a law, state functionaries of various ranks who, using their positions, make money by "rendering assistance" to obtain loans, orders, premises, and so on may be made answerable. The present legislation has actually no provision for this.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Uzbekistan

Moldovan Prime Minister Signs Accords During Visit

LD2311181695 Tashkent NARODNOYE SLOVO in Russian 22 Nov 95 p 1

[FBIS Translated Text] Talks between a delegation led by the Moldovan Prime Minister Andrei Sangheli, who has arrived in our country on a working visit, and a government delegation of Uzbekistan headed by Prime Minister Abdulkhasim Mutalov were held in Tashkent on 21 November.

During the course of the talks the friendly relations between Uzbekistan and Moldova, which are growing stronger and stronger, were noted with satisfaction. The sides also noted that the legal foundations that have been created in relations between the two countries will help to raise mutually advantageous cooperation to a qualitatively new level. The foundation for this was laid during the state visit by Uzbek President Islam Karimov to Moldova in March this year. A number of important documents, which are now being implemented on a wide scale, were signed during that visit.

Matters connected with the further development of relations in the economy, culture, and other spheres between Uzbekistan and Moldova were discussed during the talks. One of the main topics was the expansion of trade and economic cooperation.

A signing ceremony for intergovernmental documents was held following the talks. Prime Ministers Mutalov and Sangheli signed an agreement between the Governments of Uzbekistan and Moldova on mutual encouragement and protection of investments. Uzbek Deputy Prime Minister Kamiljan Rahimov and Moldovan Deputy Prime Minister Valentin Cunev signed intergovernmental agreements on cooperation in the field of tourism and international road links.

N. Dudeu [name as published], Moldova's ambassador extraordinary and plenipotentiary to Uzbekistan, was present at the talks.

The working visit by the head of Moldova's Government to our country is continuing.

Government Decides To Establish New News Agency

LD2511101795 Tashkent BIZNES VESTNIK VOSTOKA in Russian 24 Nov 95 p1

[FBIS Translated Text] The Council of Ministers, which has passed a resolution on this issue, has laid down the main tasks of the new news agency: "to inform foreign countries about the political, social, economic, and cultural life of Uzbekistan." In this way, the new agency will carry out much the same functions as the well-known U.S. agency, the United States Information Agency, or Russia's RIA-NOVOSTI.

The new agency, which does not yet have a name but which is being set up under the Foreign Ministry, is to include an information service, a publishing department, a television and radio editorial office, and an advertising department. Initially, the agency will have 10 bureaus abroad, which will be opened under Uzbekistan's embassies. Over 50 people will be working for the agency in Uzbekistan itself.

The need to set up the country's second agency was outlined at the third session of the Supreme Assembly. Deputies said that constructive competition is needed in the sphere of information.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Azerbaijan

Aliyev Addresses Parliament on Election, Law

NC2411212495

[FBIS Editorial Report] Baku Azerbaycan Radio Televiziyasi Television Network in Azeri at 1645 GMT on 24 November carries a 115-minute recorded report from the new parliament's first session in Baku on 24 November.

In a 64-minute statement to the parliament beginning at 1714 GMT, President Geydar Aliyev congratulates the deputies on the occasion of the opening of "the independent Azerbaijan Republic's first parliament, the Milli Mejlis." He says the election of the new parliament is a great historic achievement which proves that "the Azerbaijani people are now courageously, resolutely, and successfully advancing along the path of independence."

Aliyev congratulates the people for adopting the new Constitution, which he says will consolidate the state's independence, protect citizens's rights, and forge a democratic and law-based state in Azerbaijan. He notes that now the legal base exists for taking "very serious and courageous steps." He adds: "The newly adopted Constitution ensures Azerbaijan's independence and territorial integrity. I am sure this will be a permanent Constitution and by making constant use of its provisions our people will eternalize Azerbaijan's independence."

Referring to criticism of some articles of the Constitution and elections, Aliyev says: "I am pleased to state that although such criticism is natural, there were no principled objections and criticism of the law on elections and the draft constitution. The election law and the draft constitution were generally highly assessed while under discussion. The adoption of the Constitution, holding of elections, and the election of the deputies to the National Assembly show that our Constitution and election law were based on full democratic principles. Therefore, I think we have attained great achievements. The adopted Constitution and the legislative body — the parliament, the Milli Mejlis — which began its work today, will form good foundations for consolidating statehood, developing a democratic law-based state, implementing the Republic's economic reforms and privatization program, eliminating our socio-economic crisis, and improving the welfare of our citizens."

Referring to the elections, Aliyev says: "I think that within the framework of the adopted election law, the first parliamentary elections in our Republic were held on the basis of democratic principles. The democratic principles have been adhered to. The Central Election Commission carried out a productive and intensive effort. As a result, the referendum and the parliamentary elections produced results. It is true that there are some criticisms regarding the parliamentary elections. The international observers have pointed out shortcomings and faults. This is true and none of us should deny the reality. However, at the same time such things are natural. We never entertained the view that this pan-national event held under grave and difficult conditions would be very smooth, we would obtain rosy results, and everything will be perfect. We never entertained such a view. This is because, and I repeat, we are applying democratic principles in Azerbaijan. We are working to implement them. We are teaching people democracy. Our Republic is learning a lesson and being trained in democracy. It has taken the long road to democracy, and undoubtedly on this arduous and difficult road there will be mistakes, defects, faults, and violations of the law. All of this is natural. I do not think that the mistakes and shortcomings discredit or smear our overall achievements. No. Only those with outmoded thinking could have believed that everything was going to be faultless. I specifically noticed that in some opposition circles which are pointing out shortcomings for slander use. If they really are democratic, they should forget the old customs and traditions. In the past everything was considered good, excellent, lawful, and faults. We must free ourselves from such past customs, traditions, and attitude. While holding today's session of the National Assembly, we must also forget the former rubber-stamped decisions, norms, and customs that existed in the previous parliaments. We must now conduct everything on real democratic principles. Therefore, I think that the criticisms of the foreign observers and of individual citizens are just. We realize that there were mistakes, shortcomings, and faults in the work done, but they in no way affect the positive result of the overall work. As indicated by all foreign observers from international organizations, the result of the parliamentary elections is the first step to democracy in Azerbaijan. I think that it was a major step. I repeat that we are just beginning on the long road of democracy. If we have in fact taken a step on the path of democracy that is a success."

Aliyev then pledges to abide by democratic principles and Constitution in discharging his duties.

Aliyev views the positive and negative sides of the previous parliament. Among the negatives, Aliyev notes that during the three coups the old parliament showed "weakness" and "in some cases it assumed a traitorous position against the people." He said only after the June 1993 events did the parliament show considerable activity analyzing the problems and normalizing the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

situation, and worked productively and adopted a series of laws and prepared the ground for present elections.

Aliyev assures the deputies that businesslike and sound relations will be forged between the executive bodies and president on the one hand and the parliament on the other, and that he will try to abide by the provisions of the Constitution. He hopes the deputies will exert efforts to adopt laws. He hopes the parliament's legislations will be fully conform with the Constitution so that he, as president, will not spent too much time signing them. He says the joint goal should be safeguarding Azerbaijan's territorial integrity and state independence, taking the necessary measures to extricate the Republic from a war situation, and achieving peace at home and on the borders. He adds that he will carry his constitutional duties by cooperating with the parliament.

Aliyev notes that the parliament has to tackle major problems and for that a parliament with high qualities is needed. He says that freedom of speech and press and political pluralism will be continued to be safeguarded. Aliyev points out that the members of the new parliament are people of high quality with higher education and intellect. Therefore, Aliyev says the new parliament reflects the Azerbaijan's intellectual, cultural, and spiritual wealth, and one could only be proud of such a parliament. In view of this, he adds, the parliament's work will be productive and the laws adopted by it will be in line with the Constitution and democratic principles.

Aliyev ends his speech by congratulating the newly elected deputies and the Azerbaijani citizens on this occasion.

Ra: Guliyev, after being elected parliament chairman, then addresses the session at 1822 GMT. Guliyev thanks the deputies for the trust shown in him. Guliyev says observers are applauding the democratic processes in Azerbaijan and draws the deputies' attention to arduous task awaiting them.

Deteriorating audio-visual reception precludes further processing of Guliyev's speech.

Foreign Minister: Lachin Remains 'Fundamental Subject'

NC2711215395 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1700 GMT 27 Nov 95

[FBIS Translated Text] In a statement to SHARQ news agency, Foreign Minister Gasan Gasanov said that Lachin continues to remain the fundamental subject at the current round of talks in Bonn on the settlement of the Nagorno-Karabakh conflict within the framework of the OSCE [Organization on Security and Cooperation in Europe] Minsk Group. In his opinion, there has been some progress in this field. The issues to be discussed at the OSCE foreign ministers meeting in Budapest are being prepared at the current Bonn talks, and the package of proposals for it has been readied.

Hasan Hasanov also indicated that the Budapest meeting must express its firm position on the settlement of the Nagorno-Karabakh conflict. Nagorno-Karabakh should not be given independence but rights in keeping with the Azerbaijani Constitution.

Defense Minister on Status of 'Radio-Location Station'

NC2711143595 Baku TURAN in English 0855 GMT 25 Nov 95

[FBIS Transcribed Text] Baku/25.11.95/TURAN—"Gabala radio location station is a part of territory of the Republic of Azerbaijan and it cannot be given to any foreign state", Defense Minister, Lieutenant-General, Sefer Abiyev, told TURAN's correspondent.

Commenting on the words of Russia's Defense Minister, Pavel Grachev, that without Azerbaijan's joining in common CIS anti-air defense system it is impossible to protect the sky over Transcaucasus, Abiyev noted the resolution concerning usage of Gabala radio-location station in the anti-air defense system can be adopted only the Government of Azerbaijan. "In this issue the last word belongs to Azerbaijan", the minister mentioned.

He added Russian Defense Ministry officially announced that part of debt for utilization of Gabala radio location station will be repaid until the end of 1995.

Georgia

Georgian, Abkhaz Negotiators Adopt Entrenched Positions

LD2811133895 Moscow INTERFAX in English 1148 GMT 28 Nov 95

[FBIS Transcribed Text] TBILISI, Nov 28 (Interfax) - Georgian and Abkhazian delegations to the current Moscow talks differ mainly over the future status of Abkhazia.

Head of the Georgian delegation and Georgian ambassador to Russia Vazha Lordkipanidze told the press Tuesday his country's stance remains unchanged: Abkhazia must be an integral part of the Georgian federal state. However, Abkhazia insists on forming a confederation.

The diplomat declared that Russia, mediating the talks, shares Georgia's views.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In his opinion, whichever political group comes to power in Russia after the elections, it will favor an indivisible Georgia in keeping with Russian strategic interests. Otherwise the precedent in Abkhazia might trigger off the disintegration of Russia, Lordkipanidze said.

Resolution of the problem of Abkhazia largely depends on settlement in Chechnya and the other way round, he believes. "If the conflict in Abkhazia is settled, the possibility of stability in the Northern Caucasus will become a reality," he said.

The ambassador is expected to return to Moscow Tuesday and attend a meeting of negotiators beginning at 4 p.m.

Shevardnadze Establishes International Oil Corporation

AU2811124495 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 15 Nov 95 p 1

[Report by SAKINFORM: "The International Georgian Oil Corporation Has Been Created"]

[FBIS Translated Text] In accordance with a recent edict of the Georgian head of state, the International Georgian Oil Corporation has been created. As is known, in line with a decision of the governing committee of the International Oil Consortium, the territory of Georgia has been chosen as one of the routes for the transportation of Caspian oil.

By agreement with the International Oil Consortium, its founding companies, international financial, banking, and investment structures, and also Georgian state and nonstate bodies, it is expedient to create the International Georgian Oil Corporation. Its task is to restore the existing oil pipeline on Georgian territory, construct other means of transporting oil, transport oil, process and sell it, and also create the appropriate infrastructure and coordinate and direct financial, banking, investment, insurance and other activities connected with the aforementioned questions.

Giorgi Chanturia has been appointed president of the Georgian International Oil Corporation. He has been given the status of a plenipotentiary extraordinary of the Georgian head of state.

The plenipotentiary extraordinary is empowered, within the limits of his competence, to conduct negotiations on behalf of the Georgian state, prepare and sign international agreements and documents, and direct and decide all issues connected with the organization of the Georgian International Oil Corporation and its activities.

At the same time, the plenipotentiary extraordinary represents the Georgian state in the International Oil Corporation.

The following state structures will be represented in the state part of the International Georgian Oil Corporation: The Railway Department, "Sakenergo" [Georgian Power], "Saknavtobi" [Georgian Oil], the "Saknavtobprodukti" [Georgian Oil Products] Concern, "Sakgazi" [Georgian Gas], the Committee for Construction and Architecture, the Ministry of Communications, the Maritime Department, Tbilisi City Administration, Poti Town Administration, the commercial seaports of Batumi and Poti, the Batumi Oil Processing Plant, the Mining and Smelting Industry State Concern, and the Main Oil Pipelines Production Association.

The Azerbaijani State Oil Company, the Russian oil company "Lukoil," the Azerbaijani-Georgian joint company "Intersistema" [Intersystem], and other international companies and banking, financial, investment, and insurance structures will also be invited to participate in the International Georgian Oil Corporation.

Republic of Georgia state bodies will provide the appropriate assistance to the International Georgian Oil Corporation in organizational matters.

Shevardnadze Removes Powers From Cabinet of Ministers

LD2811143995 Tbilisi CONTACT INFORMATION AGENCY in Russian 1350 GMT 28 Nov 95

[FBIS Translated Text] Tbilisi — Georgian President Eduard Shevardnadze issued a decree on 28 November removing powers from the Cabinet of Ministers of the Republic of Georgia. The decree reads: "In accordance with Article 77 of the Georgian Constitution, a request by the Georgian Cabinet of Ministers on removing its powers is accepted. The current Cabinet of Ministers is to continue carrying out its duties until the new government is formed."

New Georgian Parliament Opens First Session

LD2511103495 Moscow ITAR-TASS in English 0848 GMT 25 Nov 95

[By Tengiz Pachkoria]

[FBIS Transcribed Text] TBILISI, November 24 (Itar-Tass) — Chairman of the Central Electoral Commission Vano Kiguradze opened the first session of the new Georgian parliament in Tbilisi today.

Vano Kiguradze informed deputies about the results of the parliamentary elections in Georgia. According to Kiguradze, powers of 214 deputies have been officially

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

confirmed by today. And there must be 235 deputies in all. Repeted elections will be held in a number of election disticts, and elections in South Ossetia's one-mandate distric were postponed.

As Itar-Tass learnt at the Georgian Central Electoral commission, powers of another 12 deputies, who were elected to the former parliament in Abkhazia in 1992, were temporarily prolonged until one-madate disctrict elections are held there.

Chairman of the Georgian paliament and his deputies will be elected at today's session.

Interior Troop Commander Dismissed, Deputy Arrested

LD2811113195 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1035 GMT 28 Nov 95

[FBIS Translated Text] Akakiy Barbakadze, first deputy commander of the Internal Troops of Georgia, was arrested earlier today. He is accused of participating in the terrorist act carried out against Eduard Shevardnadze, a Moscow Echo radio correspondent reports from Tbilisi.

On 23 November, Colonel Giorgi Toradze, commander of the Interior Troops of Georgia, was released from his post by an edict by the head of state, it was learned officially only today. Akakiy Barbakadze played an active part in the fight for Georgia's territorial integrity; in particular, he participated in the defense of Sukhumi.

An investigation into the case is continuing; the accusations against Barbakadze have not yet been proved, the Moscow Echo correspondent reports.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Estonia

Vahi Seeks NATO Membership, Friendly Relations With Russia

LD2811073495 Moscow ITAR-TASS in English 0712 GMT 28 Nov 95

[By Vyacheslav Bantin]

[FBIS Transcribed Text] Tokyo, November 28 (Itar-Tass) — Estonia seeks to join NATO, regarding that organisation as "an umbrella of peace" for the three Baltics, Estonian Prime Minister Tiit Vahi said in an interview with the Japanese NIHON KEIZAI newspaper on Tuesday.

Noting that Estonia "has a common border with a great power in the person of Russia", the premier stressed that it is difficult on its own for such a small country as Estonia to ensure its security.

Vahi explained Estonia's desire to join NATO by a need for "acceding to the democratic camp". "This will enable us to avoid a repeated linkup to the former Soviet system. The government of Estonia which experienced the totalitarian rule of the Soviet Union, regards this as its state duty," he noted.

The head of government said at the same time that Estonia "does not intend to confront Russia". "We seek to build friendly and stable relations with Moscow and wish Russia to carry out successfuly transition to a market economy and democratisation of society," the premier continued.

"Security in the Baltics largely depends on a political stability in Russia," he added.

Speaking of the problem of Russians in Estonia, Vahi stated that "there is no discrimination" against Russian-speaking population in the republic.

Tallinn Supports U.S. Bid for CE Observer Status

WS2311113695 Tallinn BNS in English 1600 GMT 22 Nov 95

[FBIS Transcribed Text] Tallinn, Nov 22, BNS — Estonia supports plans to give the United States observer's status in the Council of Europe [CE], the Estonian ambassador to the council, Karin Jaani, said on Wednesday [22 November].

She said granting the United States the status of observer would balance Russia's full membership in the council, due next year.

America's application for an observer's seat in the council was discussed by the ambassadors from the council's member nations on Wednesday. No decision was made at the meeting.

Opposition to a U.S. role in the council is most active from France, Jaani said.

Tarand on Ratification of Russian Accords, Election Link

LD2311232195 Tallinn Radio Tallinn Network in Estonian 1800 GMT 23 Nov 95

[FBIS Translated Excerpt] The moderates faction in the Riigikogu today published its positions on the Estonian-Russian July [1994] agreements and next year's budget. Here are ex-prime minister Andres Tarand and Vambo Kaal answering questions from correspondent Anne Osvet.

[Begin recording] [Tarand] The agreements must be ratified by parliament. At the same time we can of course voice a regret that the agreement on pensions [for Russian reservists living in Estonia] is not to our liking but we view it as the price we had to pay so that the [Russian] troops would leave [Estonia]. [passage omitted]

[Osvet] What is your opinion of these endless questions and the whole confusion, which reigned in the Riigikogu the whole day when the July agreements entered their first reading?

[Tarand] [passage omitted] In my view the major part of questions failed to have a noble purpose. What dominated perhaps was the leitmotif of presidential elections [next year]. Which means, to undermine the authority of the current president [who negotiated these agreements with Russia]. [passage omitted] [end recording]

Lithuania

President Criticizes Cabinet for Oil Prospecting Indecision

LD2711183595 Moscow INTERFAX in English 1346 GMT 27 Nov 95

[FBIS Transcribed Text] VILNIUS, Nov 27 (Interfax) — Lithuanian President Algirdas Brazauskas has criticized the cabinet for dragging out a decision on oil prospecting in the Baltic Sea.

The process must be spurred on, he said on national television Monday, especially as during his visit to Sweden last week, the leadership of OPAB oil corporation expressed their readiness to prospect oil in the section of the Baltic belonging to Lithuania.

Prospecting in the part of the sea claimed by Lithuania and Latvia could disperse rumors about enormous oil resources and promote an agreement on the nautical border of the two countries, Brazauskas said.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The oil issue has been inflated, the president believes, as it is quite possible no oil will be discovered.

Relations between the two neighboring countries were undermined by the October 31 agreement by the Latvian government with AMOCO and OPAB on prospecting and developing offshore oil fields in the Baltic Sea.

Lithuania regarded the agreement as infringing on Lithuanian interests and unilaterally established its nautical border.

Nevertheless Brazauskas does not think the relations between the two countries have seriously worsened.

Free Trade Agreement With Ukraine Activated 21 Nov

WS2811111895 Tallinn BNS in English
1900 GMT 27 Nov 95

[FBIS Transcribed Text] Vilnius, Nov 27, BNS — An agreement on free trade between Lithuania and Ukraine has gone into effect.

The agreement, signed in August 1993, went into effect on November 21, when the Lithuanian embassy in Kiev received a note of response from the Ukrainian foreign ministry.

The press service of the Lithuanian foreign ministry reported that, in accordance with the agreement, the two countries will not collect customs and duties, in equivalent quantities, for import and export goods, produced in the territories of one or the other country and intended for use in the other country. There will likewise be no quantitative limitations or equivalent regulations on import and export of goods.

The agreement has been signed for a five-year period, and will be automatically extended annually for an additional year.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.